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COLONIAL OFFICE

An Economic Survey of the Colonial Territories

Volume V

THE FAR EASTERN TERRITORIES

The Federation of Malaya, Singapore,
Hong Kong, Brunei, North Borneo
and Sarawak

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1951

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PREFACE

Before the war the Colonial Office published, at approximately yearly intervals, a survey in which were assembled the main facts about the economic situation of the Colonial territories. The last of these, relating to the year 1937, was issued in 1940 (" An Economic Survey of the Colonial Empire (1937) "—Colonial No. 179), after which their publication was suspended. In the meantime there has been a very considerable increase both in popular interest in the affairs of the Colonial territories and in the emphasis laid on Colonial development. It is therefore felt to be appropriate that the ready source of statistical and other relevant information which the survey provided should once again be made available.

This new edition of the survey has been published, not in a single volume as before, but in a series of seven volumes, six of which contain memoranda describing the economic features of each of the Colonial territories in turn, grouped for convenience as follows:—

- Volume I.—The Central African and the High Commission territories (Northern Rhodesia, Nyasaland, Basutoland, Bechuanaland and Swaziland);
- Volume II.—The East African territories (Kenya, Uganda, Tanganyika, Zanzibar and the Somaliland Protectorate), with Aden, Mauritius and Seychelles;
- Volume III.—The West African territories (Nigeria, the Gold Coast, Sierra Leone and the Gambia), with St. Helena;
- Volume IV.—The West Indian and American territories (Jamaica, Trinidad, Barbados, British Guiana, British Honduras, the Leeward Islands and the Windward Islands), with the Bahamas, Bermuda and the Falkland Islands;
- Volume V.—The Far Eastern territories (the Federation of Malaya, Singapore, Hong Kong, North Borneo, Sarawak and Brunei);
- Volume VI.—The Mediterranean and Pacific territories (Cyprus, Gibraltar, Fiji, the Gilbert and Ellice Islands, the Solomon Islands, Tonga and the New Hebrides). This volume also includes a chapter on the economic situation of Malta.

An endeavour has been made to prepare the memoranda, of which the above volumes are composed, on uniform lines, so that the same essential facts may be given for each Colonial territory. The main headings under which the information in each is classified are as follows:—

(1) **General Background**
Geographic and climatic features; population; social amenities; political structure; principal economic legislation; communications and transport.

(2) **Productive Activities**
Agricultural conditions and methods; local food products; cash crops; forestry; fisheries; minerals; manufactures; village industries; other industries; co-operative movements; employment and labour supply; fuel and power (including water).

(3) **Finance and Trade**
Public finance; currency and banking; private investment; national income; standard and cost of living; balance of trade.

(4) **Development**
Governmental activities and plans; other development proceeding or planned.

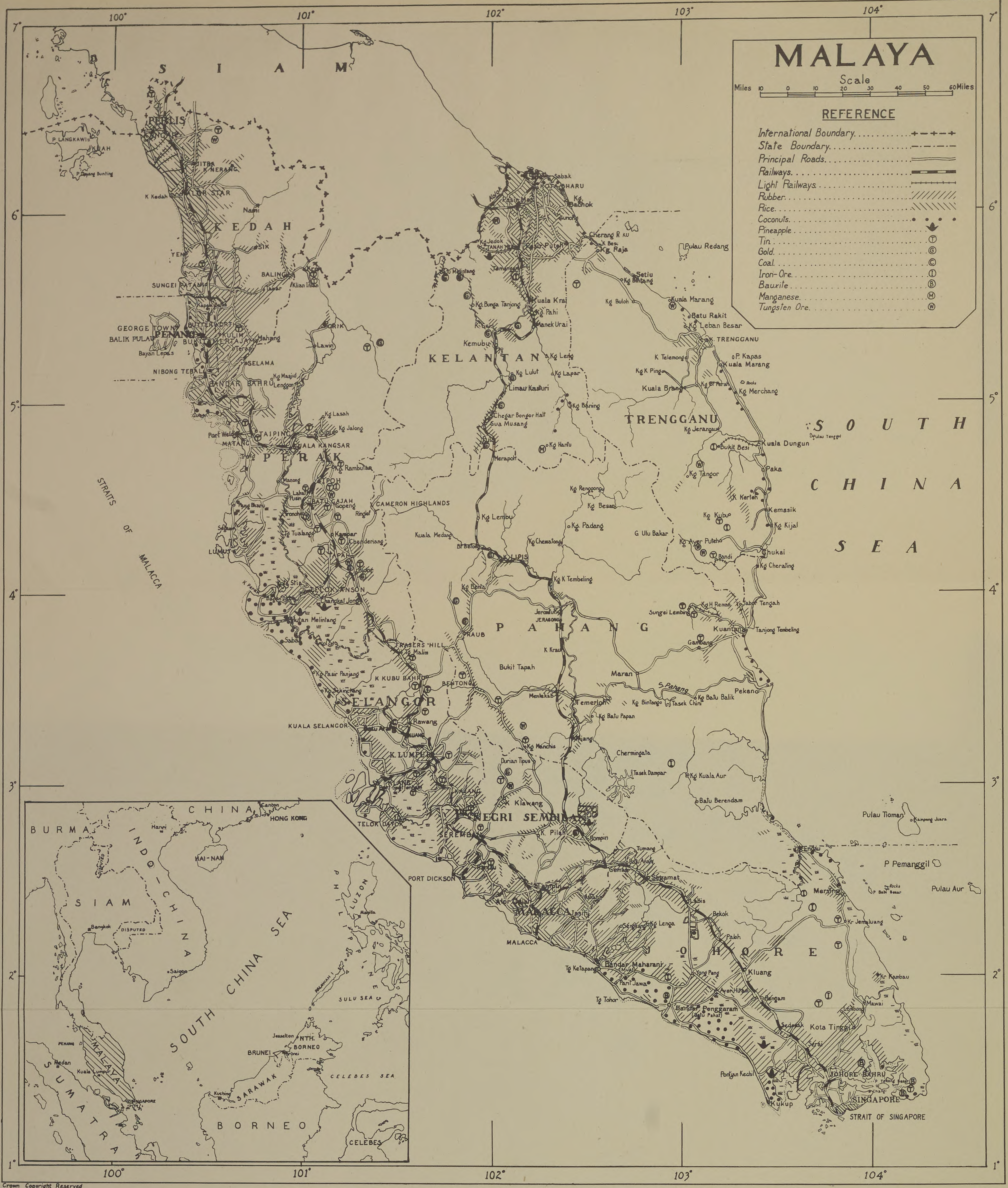
(5) **Miscellaneous**
Miscellaneous information not covered by the preceding headings.

Volume VII contains a series of memoranda dealing in greater detail than elsewhere with the commodities produced in the Colonial territories as a whole, both those which are intended for export and those which are retained for domestic consumption, together with certain other general and statistical information.

The other component volumes of the Survey have been published at intervals since 1952 as and when the material for each has been ready for presentation.

In each case the volume contains information covering the period from 1938 up to the latest year for which it is available. The present volume includes, so far as practicable, information available during 1954.

While every care has been taken in compiling the Survey the Secretary of State cannot be responsible for the accuracy of any of the individual facts and figures in its contents, many of which are derived from sources outside the Colonial Office.



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FEDERATION OF MALAYA

I. GENERAL BACKGROUND

Geographical and Climatic Features

The Federation of Malaya is situated in the Southern section of the Kra Peninsula which protrudes at the south-eastern corner of Asia between India and China. Its total area is about 50,600 square miles, the areas of the States and Settlements making up the Federation being as follows :—

	Sq. Miles	%
Penang*	400	0·8
Malacca	633	1·3
Perak	7,890	15·6
Selangor	3,166	6·3
Negri Sembilan	2,550	5·0
Pahang	13,873	27·4
Johore	7,321	14·5
Kedah	3,660	7·2
Kelantan	5,746	11·3
Trengganu	5,050	10·0
Perlis	310	0·6
Total	50,599	100·0

* Including the island of Penang (110 sq. miles) and Province Wellesley (290 sq. miles).

The greater part of the Federation consists of forest-covered mountains and uplands, the main mountain ranges running roughly north and south and rising to 6,000–7,000 feet in places. Since the main mountain range is nearer the west than the east coast, the rivers running westward are swift and silt-laden, tending to form swamps at their mouths, while those flowing eastward are slower and clearer. The west coast is therefore largely lined with mangrove swamp, while the east coast is surrounded by clean sand and coral.

The climate has been described as " marine-equatorial ". There is little variation of temperature as between different times of the year, the average maximum being about 91° and minimum about 71° on the plains. Temperatures are lower in the hills. Humidity is normally high, 90 per cent being quite common. The climate is, therefore, rather more trying than are regions with far higher maximum temperatures combined with low humidity.

Rain falls all the year round, and there is no pronounced dry season. Certain months are, however, wetter than others, the periods from June to December and March and April being normally considered as rainy seasons, although the seasonal distribution of rainfall varies in different parts of the country. On the whole, rainfall is heavier in the East coast plains than on the West coast. Annual rainfall in the plains varies between 166 inches (at Taiping) and 65 inches (at Jelebru). Rainfall is generally higher in the hills, the highest rainfall recorded being about 250 inches.

The natural vegetation of Malaya is tropical rain-forest, and even now there is little cleared land. Although the soil carries abundant jungle, it is not inherently fertile except in certain regions, and when cleared of forest, rapidly loses what nutrient properties it possessed (see below pages 14-15).

Population and Occupations

The population of the Federation was estimated to be 5,814,668 at the end of 1953. The results of recent censuses are shown in the following table:—

CENSUS RESULTS 1911–1947

Census Date	*Population*
1911	2,338,814
1921	2,906,691
1931	3,786,262*
1947	4,905,999*

*Excluding a small number of unlocated persons.

The population is very unevenly distributed. The following table shows the number of inhabitants of the states and settlements by racial group, as well as the density of population of the various states :—

POPULATION BY STATE AND RACIAL GROUP, DECEMBER, 1952
(Estimated)

State/Settlement	*Malaysians*	*Chinese*	*Indians and Pakistanis*	*Europeans*	*Eurasians*	*Others*	*Total*	*Density of Population (Persons per Square Mile)*
Penang	151,749	278,371	66,303	2,139	2,833	2,443	503,838	1,258
Malacca	141,693	108,394	24,083	529	2,335	1,306	278,340	440
Perak	417,623	499,617	169,038	3,220	1,376	6,232	1,097,106	139
Selangor	221,829	411,351	176,176	4,555	3,262	12,114	829,287	262
Negri Sembilan	130,159	130,660	48,067	1,030	1,029	3,891	314,836	123
Pahang	149,013	107,810	17,754	1,006	82	1,785	277.450	20
Johore	387,499	398,603	67,925	1,211	590	4,695	860,523	117
Kedah	428,690	131,580	61,497	396	188	11,856	634,207	173
Kelantan	446,838	25,441	6,021	171	32	9,132	487,635	85
Trengganu	226,738	16,931	1,918	98	18	496	246,199	49
Perlis	62,456	13,117	1,927	7	6	2,271	79,784	257
Total, Federation of Malaya	2,764,287	2,121,875	640,709	14,362	11,751	56,221	5,609,205	111

The above figures do not give a complete picture of the distribution of population, since there are very considerable variations inside the states themselves. The western parts of Kelantan and Trengganu, and the southern part of Pahang, are almost entirely uninhabited, while many urban areas have densities of 10,000 persons per square mile. The most densely populated areas, apart from the towns, are the west coast and the districts around Kota Bharu and Kuala Trengganu on the east coast. There are also regions of high population density around Kuala Lumpur, Ipoh and parts of Perak.

POPULATION OF MAIN TOWNS 1947

Penang	189,068
Kuala Lumpur	175,961
Ipoh	80,894
Malacca	54,507
Taiping	41,367
Johore Bahru	38,826
Seremban	35,274
Klang	33,506
Alor Star	32,424
Bandar Maharani	32,228

Altogether there were in 1947, 22 towns with a population of more than 10,000. Of the total population of the Federation, 1,301,376, or 26·5 per cent were classified as urban, of whom 971,455 or 74·7 per cent lived in Perak, Selangor, Penang and Johore. The highest urban concentration was in Penang, 56·2 per cent of whose population was urban: the lowest was in Kelantan with 7·85 per cent.

The age distribution according to the 1947 census was as follows:—

PROPORTIONS OF POPULATION IN VARIOUS AGE GROUPS, 1947
(Per 1,000)

Age Group	*Malays*		*Chinese*		*Indians*		*Total*	
	Males	*Females*	*Males*	*Females*	*Males*	*Females*	*Males*	*Females*
0–9	299	290	258	285	200	291	268	288
10–19	210	207	214	229	176	238	206	219
20–29	155	181	115	137	167	183	139	163
30–39	130	130	135	136	204	157	141	135
40–54	134	121	190	142	199	103	168	127
55 and over	71	70	88	71	53	27	77	67
Not stated	1	1	—	—	1	1	1	1

The age distribution figures for Chinese and Indians in 1947 differed considerably from those recorded in the 1931 census: the proportion of those under 20 years of age was far higher in 1947 than in 1931, reflecting the fact that the essentially immigrant nature of these communities in 1931 had given way to a more settled life in 1947. This is also suggested by the changes in the sex ratio, as the following table shows:—

FEMALES PER 1,000 MALES, 1931 AND 1953

	1931	1953
Malays	1,017	1,007
Chinese	486	893
Indians	514	711
Federation	703	922

Vital statistics for the period of Japanese occupation are incomplete: the following table shows actual births and deaths between 1940 and 1950, and the rates per 1,000 of the population between 1946 and 1953. The earlier statistics—and especially those for 1941, 1942 and 1945—are so incomplete, that any rates calculated from them would be misleading. The post-war figures are also believed to be incomplete, but to a lesser degree.

VITAL STATISTICS 1940–1953

	Births		*Deaths*		*Infant Mortality (Per 1,000 live births)*
	No.	*Rate*	*No.*	*Rate*	
1940	186,028	—	92,491	—	—
1941	142,339	—	63,436	—	—
1942	151,181	—	99,257	—	—
1943	176,669	—	123,282	—	—
1944	153,198	—	146,476	—	—
1945	103,747	—	110,112	—	—
1946	183,960	36·8	105,040	21·0	—
1947	210,815	43·2	95,145	19·5	102
1948	201,712	40·7	81,172	16·4	89
1949	222,782	43·2	72,412	14·0	81
1950	219,512	41·5	82,554	15·6	102
1951	232,896	43·6	81,630	15·3	97
1952	244,624	44·5	75,020	13·6	90
1953	249,365	43.7	70,795	12.4	83

VITAL STATISTICS BY RACES, 1953

	Birth Rate	*Death Rate*	*Infant Mortality*
Malaysians	45.1	14.5	98
Chinese	42.1	10.2	61
Indians and Pakistanis	44.2	10.9	92

Immigration was a factor of very great importance to the economy of Malaya before and between the two wars, but has diminished since. This is borne out by the following comparison of the proportion of Malaya-born Chinese and Indians in 1931 and 1947:

PERCENTAGE BORN IN MALAYA

	1931	1947
Chinese	29·9	63·5
Indians	21·4	51·6

According to the 1947 census, at least 90 per cent, and probably 94 per cent of Chinese born between 1931 and 1947 and still alive, were in Malaya at the time of the 1947 census.

The following table shows *net* immigration—i.e., immigration less emigration—for the period from 1947–1953:

NET IMMIGRATION, 1947–53*

	1947	1948	1949	1950	1951	1952	1953
Europeans†	+ 648	+ 477	+ 882	+ 721	+ 1,795	+ 1,649	+ 1,273
Chinese	− 2,618	− 2,232	− 9,146	− 1,408	− 10,625	− 5,549	— 1,574
Malaysians	+ 992	+ 676	+ 892	− 1,994	+ 852	+ 9,808	+ 9,235
Indians and Pakistanis ..	− 8,384	− 882	− 611	+ 7,391	+ 6,426	+ 13,017	+ 19,325
Thais	− 317	+ 11	+ 2,126	+ 5,801	+ 18	+ 649	+ 1,747
Others	+ 562	+ 74	+ 90				
Total	− 9,117	− 1,876	− 5,767	+ 10,511	− 1,534	+ 19,574	+ 30,006

* Excluding migration over the Kelantan section of the Malaya-Thailand border prior to January, 1949.
† Including Americans.

There was thus net emigration from the Federation after the war, except during 1950, 1952 and 1953. These figures are, however, incomplete, since they take no account of illegal migration, which is particularly easy owing to Malaya's long coast-line and border with Thailand.

Occupations.—The following table shows the main occupations followed in the Federation:—

OCCUPATIONS AND INDUSTRIES, 1947 (CENSUS)

Occupation	*Penang*	*Malacca*	*Perak*	*Selangor*	*Negri Sembilan*	*Pahang*	*Johore*	*Kedah*	*Kelantan*	*Trengganu*	*Perlis*	*Total Federation*†	
												Number	*% of Occupied Population*
Agriculture:—													
Rubber Cultivation	12,424	28,617	91,925	84,907	50,151	24,212	132,451	54,908	18,333	6,334	753	505,108	26·5
Coconut Cultivation	2,346	290	11,275	11,040	180	346	11,538	498	1,812	188	3	39,519	2·1
Padi Cultivation	20,012	7,485	76,024	15,952	25,842	39,110	14,420	113,355	99,224	34,376	24,762	470,592	24·7
Market Gardening and Stock-rearing	9,666	6,036	24,258	20,493	7,244	4,851	24,058	7,073	6,642	2,361	1,109	113,817	6·0
Other*	961	624	11,957	8,928	1,886	3,286	12,958	1,277	2,531	1,117	80	45,637	2·4
Total Agriculture*	45,409	43,052	215,439	141,320	85,303	71,805	195,425	177,111	128,542	44,376	26,707	1,174,673	61·7
Fishing	6,764	3,480	9,598	5,960	463	2,680	7,845	3,778	6,855	12,136	728	60,288	3·2
Mining:—													
Tin Mining	77	160	27,130	10,053	1,305	2,017	549	431	7	564	997	43,318	2·3
Other	154	63	166	2,968	27	480	292	140	52	1	20	4,372	0·2
Total Mining	231	223	27,296	13,021	1,332	2,497	841	571	59	565	1,017	47,690	2·5
Manufacture and Public Utilities	21,650	11,501	28,861	29,953	7,352	5,286	15,810	11,094	9,316	11,509	721	153,196	8·0
Transport and Communications	13,189	3,577	9,228	12,451	3,035	1,926	6,197	3,719	3,232	3,261	275	60,351	3·2
Public Administration	13,001	5,171	21,807	22,013	8,669	6,488	18,464	8,495	4,500	3,451	1,046	113,407	6·0
Professional Services (not Government or Local Authority)	2,852	1,208	3,883	3,596	915	671	2,633	1,517	1,077	369	126	18,767	1·0
Commerce and Finance	29,320	9,380	32,527	30,290	7,738	5,382	22,622	16,420	10,751	6,579	1,696	173,120	9·1
Personal Services	15,200	4,541	18,316	19,399	5,091	3,406	10,836	6,349	3,135	1,882	525	88,801	4·7
Others	2,228	590	2,687	3,016	447	480	1,778	1,235	684	392	177	13,848	0·7
Total Occupied Population**	149,844	82,723	369,642	281,019	120,345	100,621	282,451	230,289	168,151	84,520	33,018	1,904,141	100·0
Total Population‡	446,321	239,356	953,938	710,788	267,668	250,178	738,251	554,441	448,572	225,996	70,490	4,908,086	

† Including "unlocated" persons (i.e., those travelling by railway at the time of the census).

* Including 12,376 persons engaged in forestry.

** Excluding nomadic aborigines.

‡ Including nomadic aborigines.

The different races in the Federation show very different occupational structures. The proportion of occupied persons in the total population is highest among Europeans (59 per cent) and Indians (57 per cent), and lowest among Chinese (38 per cent) and Malays (35 per cent). The following table shows the percentages of the main races in certain important branches of industry :

PERCENTAGE OF MALE OCCUPIED POPULATION BY RACES IN CERTAIN INDUSTRIES, 1947

	Malays %	*Chinese* %	*Indians* %
Agriculture	69·9	42·8	49·7
Fishing	7·2	3·1	0·3
Mining and quarrying ..	0·9	4·8	2·4
Manufacture	3·8	15·2	5·6
Commerce and finance ..	3·4	18·8	11·5
Public administration and defence	9·6	2·0	14·3
Personal service	1·4	6·2	8·1
Others	3·8	7·1	8·1
	100·0	100·0	100·0

Social Amenities

Education

Education is not yet compulsory and universal. The Chinese population has more boys and girls at school than the Malays, but about a quarter of the boys and three-quarters of the girls between 6 and 12 years seem not to attend school even among the Chinese. There has been a great increase in school enrolment since the war, and this calls for much more accommodation and many more teachers than are now available or can be paid for. Literacy (per 1,000) among the various racial groups according to the 1947 census were as follows :—

LITERACY, 1947 (PER 1,000)

	Males		*Females*	
	All Ages	*15 and Over*	*All Ages*	*15 and Over*
Malaysians ..	379	492	118	114
Chinese ..	495	637	193	215
Indians ..	504	598	190	197

The number of schools, teachers and pupils in 1952 were as follows :—

EDUCATION STATISTICS, 1952

	Vernacular Schools			*English (a) Schools*	*Total*
	Malay (b)	*Chinese*	*Indian*		
Schools ..	1,955	1,119	854	272	4,280
Pupils ..	309,526	213,683	30,859	99,923	661,991
Teachers	10,398	3,068	1,464	3,959	20,889

(*a*) Schools in which English is the language of instruction.
(*b*) Excluding religious schools.

Probably about half of the children attend school at least part of the year, but only a small proportion of the teachers are trained. In 1953 there were over 3,000 teachers under training in various colleges, schools and classes. There is an agricultural college at Serdang, which had 73 students enrolled in 1953.

There are four Junior Technical (Trade) Schools in the Federation, with 623 enrolled pupils in 1952, and a Federal Technical College at Kuala Lumpur. Students from the Federation attend the University of Malaya in Singapore.

Health

Although the climate of Malaya is equatorial, the major tropical diseases are less widespread than in many similarly situated countries. The incidence of malaria in particular, although still high, has declined considerably in recent years. Diseases presenting serious public health problems include tuberculosis, yaws and dysentery. A study of the health and diet of poorer members of the rural population in 1950* suggested that the diet of Malays in the rural districts was not sufficient to maintain health ; this was partly the result of economic factors and partly of the poor choice of diet. Generally the health and diet of labourers on estates was found to be better than that of the peasants, although here, too, the choice of food of the labourers, who are mainly Indians, may have been of importance.

During the Japanese occupation, malnutrition—and among certain sections near starvation—was widespread. The effects were probably felt most among the Indian community, who, being mainly workers on the rubber estates, were faced with a loss of livelihood when that industry almost disappeared. The after-effects of this period are still to some extent felt.

Hospitals, dispensaries and maternity and child welfare centres are services provided by the States, and not the Federal Government. There were 70 Government hospitals in the Federation in 1953, with nearly 20,000 beds. Many of the estates also provide health services, and there were in 1952, 5,768 beds in estate hospitals. All hospitals have outpatient departments, and these are supplemented by small dispensaries situated in many of the smaller towns and travelling dispensaries operating on the main roads and, in certain states, along the rivers.

There were 669 registered medical practitioners in the Federation at the end of 1953, 315 of these being in Government service. There were also 628 dentists, of whom 77 were qualified, 1,561 nurses, 492 midwives, 1,056 medical assistants and 148 health and sanitary inspectors.

Housing

Housing is not wholly adequate, but is good by Asiatic standards. The Malay peasant is said to have evolved the most practical and hygienic type of housing in the East. These houses are usually made of wood with roofs of attap (palm leaves), and are raised a few feet off the ground. Chinese rural dwellings, on the other hand, are usually very poor, being badly ventilated and lacking light and drainage. Housing provided by mines and estates for their workers consisted before the war mainly of barrack-like structures with up to 30 cubicles. Since the war, the Labour Department has refused to sanction the building of such quarters, and has insisted that new quarters should be of the detached or semi-detached type. The most serious housing problems occur in the towns, and especially in Kuala Lumpur, where there is acute overcrowding, and many of the poorer classes pay exorbitant rents for one cubicle in a shop and terrace house.

The Federation Government set up a Housing Trust in 1950 with an initial capital of $3 million and with powers to raise loans. Among the functions of the Trust are the building and renting of houses and the assisting of private development with loans. The Trust also has powers to compel the development of vacant lands and to control the layout of such development.

Social Security

In present circumstances, extensive social insurance measures are not yet practicable, but an Employees' Provident Fund Scheme was introduced in 1952, the first of its kind in S.E. Asia. Some 700,000 workers were initially covered, including all those earning more than $10 but less than $400 per month who were employed in estates, mines, factories, shops, transport, business concerns, schools and Government offices. The employees make a compulsory contribution to the fund of about 5 per cent of their wages, an equivalent sum being provided by the employer. Accumulated contributions plus interest can be withdrawn in a lump sum by the employee at the age of 55, by his dependants on his death, or in other specified circumstances, e.g., on leaving the

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* R. C. Burgess and Laidin Bin Alang Musa :—A report on the state of health, the diet and economic conditions of groups of people in the lower income levels in Malaya (September 1950).

Federation. Employers and employees in firms which run schemes no less favourable than the above may be exempted from contributing.

Political Structure

The Federation of Malaya was established in 1948 by Agreement between His Majesty's Government and the Malay Rulers, and is made up of the nine Malay States and the two British Settlements of Penang and Malacca. The executive authority of the Federal Government is exercised by the High Commissioner, who is also Director of Operations for the period of the present emergency, and is assisted by a Deputy High Commissioner and a Deputy Director of Operations. He is advised by an Executive Council containing both official and unofficial members. There is an unofficial majority on the Federal Legislative Council, unofficial members being nominated to represent important vocations and interests. It was proposed in 1954 to hold federal elections as soon as the necessary arrangements could be made. Legislation on matters of importance to the whole country is reserved to the Central Government. Responsibility for the various departments of Government is divided among " Members ", who are drawn from the various racial communities in the country. The High Commissioner works in consultation with the Conference of Rulers.

The State and Settlement Governments are responsible for many of the internal affairs of their areas. There are also Municipal and other forms of local councils, and at this level elections have been held in many parts of the country.

The Federation of Malaya is not a Colony. The Settlements of Penang and Malacca have Colonial status, but the nine Malay States are British Protected States.

Principal Economic Legislation

Trade and Commerce

The Companies' Ordinance of Singapore (No. 49 of 1940) was applied to the Malay States, with such modifications as might be necessary, by Malayan Union Ordinance No. 13 of 1946. The legislation regulates the formation of companies, membership, share capital, administration, and winding up ; provision is also made for the registration, etc., of companies carrying on business within Malaya but incorporated elsewhere. Businesses (other than those carried on by one person, and those whose registration is provided for in other legislation) are required to be registered under Malayan Union Ordinance No. 7 of 1947. Co-operative Societies are regulated by Federation Ordinance No. 33 of 1948. Finance for industrial rehabilitation is provided for by Malayan Union Ordinance No. 20 of 1947, as subsequently amended. Rubber production and dealings in that commodity are regulated by Enactments No. 37 of 1936 and No. 10 of 1937, respectively, as amended. Other ordinances relating to the carrying on of business include the Bills of Exchange Ordinance (No. 75 of 1949), Bills of Sale Ordinance (No. 30 of 1950), and the Sale of Goods (Cap. 53 of the Revised Edition 1935).

Imports and Exports.—The Customs Enactment, No. 5 of 1936 provides for the general management and regulation of Customs, and empowers the High Commissioner to fix the amount of duty to be levied on any goods, such duty to be notified in the Government Gazette. For a statement of Customs duties in force in 1954, see below, p. 36. Malayan Union Ordinance No. 8 of 1947 empowers the Chief Secretary to the Government to exempt any person or class of goods, wholly or in part, from the payment of Customs duty ; any orders made under this Ordinance must be subsequently confirmed by resolution of the Legislative Council (Ordinance No. 14 of 1951).

Labour.—The Trade Unions Enactment, No. 11 of 1940, provides for the registration of Trade Unions, defines their rights and liabilities, and regulates their constitution, funds and accounts ; an amendment to the principal enactment (Federation Ordinance No. 9 of 1948) enables two or more Trade Unions relating to similar trades or occupations to form a federation, subject to the consent of the members by a majority vote. Trade disputes and matters arising therefrom are controlled by the Trade Disputes Ordinance No. 4 of 1949, which, *inter alia,* prohibits intimidation, prescribes that in the case of public utility services due notice shall be given of strikes and lock-outs, and declares peaceful picketing to be lawful. The Labour Code (Cap. 154 Revised Edition 1935) regulates immigration (with special provisions relating to Chinese and Indian immigrants), labour agreements, wages, labour in mines, housing and health of labourers, etc. Other legislation relating to labour includes the Machinery Enactment (Cap. 202), the Mui Tsai (Female Domestic Servant) Enactment (Cap. 157), the Workmen's Compensation Enactment (Cap. 155), and the Wages Councils Ordinance (Malayan Union Ordinance No. 1 of 1947).

Land and Minerals.—Under the terms of the Land Acquisition Enactment (Cap. 140), land may be acquired whenever it is needed for a public purpose, and, with the approval of the State Ruler, for a residential or factory area, for agriculture, public utility works and mining, subject to the payment of compensation to the former owners. The Malay Reservations Enactment (Cap. 142) secures to Malays certain areas of land, which may not be disposed of to non-Malays ; similar legislation has been enacted by the States of Johore, Kedah, Kelantan and Perlis. Customary tenure of land in Negri Sembilan is provided for by the Customary Tenure Enactment (Cap. 215). The Land Code (Cap. 138) regulates land holding, transactions, settlement, revenue, etc.

The Mining Enactment (Cap. 147) lays down the procedure for the granting of mining leases, and contains provisions regarding prospecting, water conservation, mineral oil and the regulation of mining operations ; a large number of the provisions of the Land Code are applied specifically to mining land.

Immigration.—By the Alien's Immigration (Restriction) Enactment (Cap. 115), the High Commissioner may prohibit the entry of any alien. Immigration generally is regulated by the Passengers Restriction Enactment, whilst Chinese and Indian immigration is controlled by provisions of the Labour Code (referred to in the section dealing with labour legislation). The Passports Ordinance, No. 19 of 1949, prohibits the entry of any person not in possession of a valid passport, and provides for the deportation of illegal immigrants.

Communications

Railways.—The main line of the metre-gauge Malayan Railway, which is owned and operated by the Federation Government, runs from Singapore in the south along the alluvial plain which lies between the high central mountain range and the west coast, to Prai opposite to Penang Island in the north. Short branch lines run to the coast at Port Dickson, Port Swettenham, Teluk Anson and Port Weld. A longer branch line runs from a point near Prai northwards to connect with the Thailand State Railways at the frontier.

The long East Coast Line, which runs northwards from Gemas through difficult country to Sungei Golok on the frontier with Thailand, was completed in 1931. A length of 200 miles of rails from Mentakab to Kuala Krai was removed by the Japanese during the war. Reconstruction at the southern end was interrupted at Jerantut in 1948 owing to bandit activity, but was resumed in 1952, the line being completely restored by 1953.

During the war and the Japanese occupation, the system was greatly damaged. Apart from the removal of much of the east coast line, some of the branches on the west coast were dismantled. Many bridges were destroyed, and over a third of the locomotives and a half of the rolling stock were sent out of the country. The main workshops were wrecked. By the end of the war, the remaining equipment was in a state of very bad repair as a result of neglect. The following table gives some indication of the progress made since 1946 :—

MALAYAN RAILWAY STATISTICS (*a*)

	Unit	1940	1947	1948	1949	1950	1951	1952	1953
Track Mileage	miles	1,314	1,011	1,075	1,091	1,116	1,140	1,143	1,219
Routes open to traffic ..	„	1,068(*b*)	810	860	870	894	913	913	984
No. of Passenger Journeys ..	thousands	11,700	4,409	3,823	4,442	5,759	6,735	6,212	6,632
Paying Coaching train mileage	'000 miles	3,276	1,056	1,184	1,353	1,576	1,194	1,214	1,385
Paying Goods Traffic	'000 tons	2,581	1,389	1,589	1,761	2,036	2,038	1,996	2,043
Net Ton Mileage of Paying Goods Traffic	'000 ton miles	231,958	167,187	193,424	198,722	241,960	243,097	229,984	229,859
Total Railway Revenue ..	$'000	19,733	32,629	36,519	36,870	40,963	51,128	53,744	58,513
Total Railway recurrent expenditure	„	14,061	26,189	32,244	33,742	36,799	47,755	52,674	50,680

(*a*) Including Singapore.
(*b*) 1939 figure.

Roads.—There were in 1953 over 6,000 miles of roads in the Federation. Of these, 2,145 miles were classified as Federal roads, and the remainder, except those in the municipal areas of Malacca, Kuala Lumpur and Penang, as State roads.

By far the greater part of the road system is concentrated in the west coast states, and particularly in Selangor, Negri Sembilan, Malacca, Penang and Province Wellesley, and the western part of Perak. The great east coast and central states of Kelantan, Trengganu and Pahang have very few roads except in the neighbourhood of the towns. Owing to the mountain chain which forms the backbone of the country, most of the road network tends to run north and south, and very few roads cross the country from west to east. The table shows the classification of roads by types in the separate states in 1949 :—

ROAD CLASSIFICATION BY STATES, 1949

State or Settlement	Class of Road						Total (miles)	Road Density (Miles of road per hundred sq. miles)
	A1 (miles)	A2 (miles)	B (miles)	C (miles)	D (miles)	E (miles)		
Johore	19	689	60	54	141	23	985	13·4
Kedah	—	337	57	—	61	43	499	13·6
Perlis	—	40	8	—	2	35	86	27·8
Kelantan	—	76	20	5	49	138	289	5·0
Malacca	—	178	—	34	160	5	376	59·4
Negri Sembilan	—	439	23	61	37	15	574	22·5
Pahang	—	440	49	—	110	78	675	4·9
Penang and Province Wellesley ..	—	244	10	8	—	98	360	90·0
Perak	—	986	39	—	14	81	1,118	14·2
Selangor	—	504	63	23	113	11	713	22·5
Trengganu	—	—	—	32	115	137	284	5·6
Total	19	3,933	327	217	800	663	5,958	11·8

(N.B.—Errors in totals due to rounding off.)

Road class A1 = Concrete surface.
„ „ A2 = Metalled surface grouted or sealed with bitumen.
„ „ B = Metalled surface, waterbound.
„ „ C = Hard surface, bitumen sealed.
„ „ D = Hard surface, waterbound.
„ „ E = Earth surface.

Motor vehicles on the register before and since the occupation are shown in the following table :—

REGISTERED MOTOR VEHICLES

	1940	1946	1953
Motor cycles ..	2,540	2,906	17,103
Motor cars	19,483	10,041	44,552
Buses	1,461	1,025	1,988
Taxis, etc.	969	501	3,258
Goods vehicles ..	5,063	10,304	14,488
Other	—	165	9,754*
Total	29,516	24,942	91,143

* Mainly vehicles owned by the Government.

These figures must be interpreted with some caution, since many of the vehicles operating in the Federation may be registered in Singapore, and *vice versa*.

On the whole, the road system is good by Asiatic standards, but it is in parts inadequate for the traffic it has to bear.

*Ports and Harbours.**—The main ports of the Federation are Penang, Port Swettenham, Teluk Anson, Malacca and Port Dickson. All of these are on the west coast, and Penang, Port Swettenham and Malacca are Federal ports. The east coast ports, including Mersing, Kuantan, Kuala Trengganu and Kota Bharu, are of lesser importance, partly because their hinterland is less developed, but also because the east coast affords less natural protection from the monsoon than the west coast, and the sea tends to be shallower, facts which may have had some influence on the comparative lack of development of the east coast area as a whole.

Penang is the only free port in the Federation, and has an important entrepôt trade. The harbour consists of a seven mile stretch of water between Georgetown on the island of Penang and the mainland of Province Wellesley to north and south of the Prai river. Before the war the whole harbour was a free port, Penang and Province Wellesley being one of the Straits Settlements.

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* For further information see the " Report on the Major Ports of Malaya " and " Report on the Minor Ports of Malaya " by D. F. Allen (Kuala Lumpur).

When the Settlement became part of the Malayan Union in 1946, Penang lost its free port status, but later regained it as far as that part of the port on the island of Penang was concerned. The port consists of three main sections :—

(*a*) The Penang Harbour Board's premises in Georgetown. The main property of the Board consists of Swettenham Pier, a deep-water wharf capable of taking two ocean-going ships, lighter basins and a ferry terminal.

(*b*) Weld Quay, on the island of Penang (adjacent to the Harbour Board's premises), to which there is free public access. This quay is served by lighters, which are mainly Indian owned and manned.

(*c*) Prai Wharf on the mainland, which is owned by the Malayan Railway, It was originally planned as a wharf for ocean-going ships, but, owing to silting, it is now usable only by lighters and vessels up to about 3,000 tons.

The Penang Harbour Board's mainland ferry terminal is at Butterworth, opposite Georgetown, and the Board also has a dockyard up the Prai river. It was proposed by the Federal Ports Committee to replace the Penang Harbour Board by a Penang Port Commission, and it was planned to establish such a Commission in 1954.

Since the tin smelting and copra milling industries are located at Penang, in addition to the port's entrepôt trade there is a considerable import trade in copra and tin ore, and an export trade in coconut oil and tin metal. After Singapore, Penang is the main port for the export of the Federation's rubber.

Port Swettenham is a deep-water port built on what was a mangrove swamp near the mouth of the river Klang. It is owned and operated by the Malayan Railway, and was originally constructed to serve the Federal capital of Kuala Lumpur. Imports greatly exceed exports, by far the main item of export being rubber. Other exports include palm oil, latex and ilmenite. About half the traffic is handled by lighter, but a plan for additional deep-water wharfage has been approved, and preliminary work has been carried out.

Malacca was up to more than a century ago the traditional entrepôt for Sumatran trade. Its importance has been steadily declining during the past hundred years as a result of competition from Singapore and Penang, and of the gradual silting of the harbour. This latter process has gone so far that ocean-going ships have to stand two or three miles out at sea and unload by lighter, and even coastal vessels can approach no nearer than about a mile and a half from shore. Almost the sole export from Malacca is rubber, most of which is taken by coastal vessel to Singapore and there transhipped ; a certain amount of rubber is, however, loaded directly by lighter on to ocean-going ships. There is also a small import of consumer goods such as rice and sugar.

The Federation's ports suffered severely during the Japanese occupation, but a great deal of rehabilitation has taken place since then, and the facilities generally have been restored and improved.

Most of the Federation's exports follow the natural routes of exit. Penang serves the northern part of the west coast states as far south as Ipoh. Port Swettenham serves Perak from Ipoh southwards, Selangor, Negri Sembilan, Western Pahang and parts of north-west Johore. Malacca is to some extent served by its own port, but also by Port Swettenham and Singapore. Singapore serves most of Johore and indirectly the east coast. A very considerable part of the Federation's imports for local consumption come through Singapore.

SHIPPING USING MAJOR PORTS, 1947–1953*

(Monthly Averages)

	PENANG				*PORT SWETTENHAM*				*MALACCA*†			
	Arrived		*Departed*		*Arrived*		*Departed*		*Arrived*		*Departed*	
	Nos.	’000 *tons*	*Nos.*	’000 *tons*	*Nos.*	’000 *tons*	*Nos.*	’000 *tons*	*Nos.*	’000 *tons*	*Nos.*	’000 *tons.*
Foreign Trade												
1947 ..	73	229	67	225	50	142	50	144	1	2	1	2
1948 ..	103	297	92	285	58	214	58	213	2	5	3	4
1949 ..	112	344	106	334	70	274	70	275	2	4	2	4
1950 ..	125	369	113	351	77	291	76	289	3	7	3	6
1951 ..	131	366	121	348	81	386	80	382	3	4	2	4
1952 ..	133	398	124	380	84	523	84	523	3	3	2	1
1953 ..	145	439	127	425	99	368	99	369	3	3	2	1
Coastal Trade												
1947 ..	21	5	21	5	5	11	5	12	19	5	19	5
1948 ..	12	3	12	3	24	6	24	6	31	6	31	6
1949 ..	17	5	15	4	24	6	23	6	30	7	30	7
1950 ..	15	4	14	4	27	7	27	7	30	9	30	10
1951 ..	11	4	11	4	12	5	12	5	32	10	32	10
1952 ..	11	3	11	3	13	5	14	5	28	10	28	10
1953‡					122	33,178	103	28,099				

* Not including ships in ballast or vessels of 75 tons and under.
† Coastal trade figures include Port Dickson, except in 1947 and 1953.
‡ All parts in the Federation.

Posts, Telegraphs and Telephones.—The Malayan Departments of Posts and Telecommunications are responsible for postal and telecommunications services in the whole of Malaya, including Singapore, except for local telephone systems in Singapore and Johore Bakru which are maintained and operated by a commercial undertaking.

There were 186 Post Offices and 142 Postal Agencies at which a limited range of postal business was transacted, in the Federation in 1953. There were also 381 licensed Stamp Vendors. The Postal Service handled 148 million articles in 1953. The Malaya Telecommunications Department provides and maintains communications for the public, signalling equipment for the Malayan Railway, and radio services for the Police and Civil Aviation Departments. There are telegraph services throughout the Federation and links with Cable and Wireless Limited. There is a Radio Telephone Service between the United Kingdom and Malaya.

Civil Aviation.—Services are maintained by the Government-owned Federation Air Service, and by a private company, Malayan Airways Ltd. International air routes operate between Penang and Indonesia, Burma and Thailand, and between Kota Bharu and French Indo-

China. The Government-operated routes connect the main towns of the Federation, and services are maintained with Singapore. The following table shows traffic using the main airports of the Federation in 1953 :—

CIVIL AVIATION, 1953

Aerodrome	*Aircraft Movements (Nos.)*	*Passenger Traffic (Nos.)*	*Cargo (metric tons)*	*Mail (metric tons)*
Kuala Lumpur	18,292	63,629	1,288	287
Ipoh	7,220	27,404	655	70
Taiping	2,304	8,008	157	7
Penang	5,760	45,113	954	121
Alor Star	766	4,373	43	4
Kota Bharu	1,714	19,033	1,152	65
Kuantan	1,716	9,854	97	17
Malacca	2,744	10.282	11	12
Total	40,516	187,696	4,358	582

II. PRODUCTIVE ACTIVITIES

Agricultural Conditions and Methods

Most Malayan soils are poor judged by temperate region standards, and are liable to rapid deterioration when denuded of their natural cover of tropical forest. The following table provides a provisional classification of Malayan soils and their parent materials :—

PROVISIONAL CLASSIFICATION OF MALAYAN SOILS AND THEIR PARENT MATERIALS (*a*)

	Parent Material		*Provisional series name*	*Drainage*	*Remarks*
Recent Sediments	Coast Deposits	Peat	Unclassified	—	—
		Clay	1. Selangor series	Impeded	Clays in the western coastal belt.
			2. Kelantan series	Impeded	Heavy soils of the eastern coastal belt.
		Sands	Sungei Buloh series	Excessive	Includes lenticles of sand in the coastal alluvium as well as river-borne sands.
	Inland Alluvium	Clays and loams	1. Perak series	Impeded	Soils developed under conditions of impeded drainage.
			2. Chemor series	Free	Freely drained loams and clay loams. No laterite concretions. Relief flat or gently rolling.
Igneous Rocks	Acid Rocks	Plutonic types (mainly granite)	1. Rengam series	Free	Soils derived from fine- and medium-grained rocks.
			2. Tampin series	Free	Soils derived from coarse-grained phase of granite rocks.
		Volcanic types (andesites, rhyolites, etc.)	Unclassified	—	—
	Basic Rocks	Plutonic types (e.g., gabbro)	Unclassified	—	—
		Volcanic types (mostly basaltic)	1. Kuantan series	Free	Reddish-brown soils. Highly ferruginous. Some laterite concretions in the lower horizons.
			2. Segamat series	Free	Brownish-red heavy clays derived from basaltic lava. No concretions.
Mesozoic and Upper Paleozoic Non-Calcareous Rocks	Conglomerates		Unclassified	—	—
	Sandstones		Kedah series	Free	Reddish-yellow sandy loams. Relief undulating and hilly.
	Argillaceous Rocks (shales, phyllites)		1. Batu Anam series	Slightly impeded	Yellow to brownish-yellow silty clay loams. Mottling at lower levels. Some laterite concretions.
			2. Malacca series	Free	High proportion of rounded laterite concretions a dominant feature of these soils.
	Schists		Seremban series	Slightly impeded	Sandy clay loams over silty clay. Flattened and platy lateritic fragments and a vein of quartz are characteristic of these soils.
Upper Paleozoic Calcareous Rocks	Limestone		Perlis series	Free	Dark reddish-brown clay.

(*a*) This classification is that of G. Owen (1951, Journal of Soil Science, Vol. 2, 20–42).

Many of the soils in the hillier part of the peninsula are of a very open texture, and are too easily drained ; that is, a very high level of rainfall may be associated with almost drought conditions in the soil itself. On the other hand, many of the coastal soils are too heavy for easy drainage.

Of the soils shown in the foregoing chart, the peat formations seem suitable, if fertilised, to shallow rooted crops. Clay soils of the Selangor series, though sometimes very acid, are considered potentially the most productive soils of the country, although they are sometimes difficult to drain. Clay soils of this and other types are found in most of the west and east coast plains. Soils derived from inland alluvium are very variable. Of the granite-derived soils, those which are fine or medium grained are productive though not rich in plant nutrients ; the coarse grained soils are less fertile. Soils derived from basic igneous rocks are the most fertile of all the inland soils, but are of only small extent.

Soils derived from triassic and carboniferous non-calcareous rocks cover the major part of the undulating terrain which lies between the coastal flats on the west and the steeply rising ground which forms the core of the peninsula, and the greater part of the developed land in

Malaya is derived from these sedimentary rocks, although they are not all of equal value.

In addition to soil deficiencies, the mountainous and rugged nature of much of the Malayan terrain is a serious limiting factor to agricultural expansion, many areas in the interior being on too steep a slope for safe cultivation without the danger of erosion.

Malaya is in the wet tropics, with the usual distinctive feature of high humidity, heavy rainfall, and moderately equable temperature giving conditions suitable for a wide range of tropical crops including in particular rubber, oil palms, coconuts, pineapples, cassava, and, with supplementary irrigation water where necessary, rice.

Methods of agriculture in the Federation vary from those of highly organised modern estates to the most primitive forms of shifting cultivation. The primitive methods are not always or necessarily inferior to those used by modern capital. " The rapid development of capitalist agriculture in Malaya . . . has necessitated the adoption of many Western cultural methods without preliminary investigation of their suitability to local conditions. It was inevitable, therefore, that, not infrequently, systems were introduced which were wasteful of capital, or were later discovered to result in loss of soil fertility, damage to the crop, and generally in lowered efficiency of production."*

More detailed descriptions of cultivation methods will be found below, in the sections on the individual crops. In general, there are three main types of agriculturalist in Malaya, each with his own methods—the large and medium sized estates, usually European but sometimes Chinese owned, the Chinese small-holder, and the Malayan small-holder. Many of the estates use methods not entirely dissimilar from those of the small-holders, and in particular use many of the same kind of implements. Only a small proportion of estates are at all mechanised. According to information obtained in a Census of Mechanised Field Equipment carried out in December, 1949, only 8·9 per cent of all estates over 100 acres used machinery of any kind.† The percentage using machines was highest in Penang and Province Wellesley (22·2 per cent), Perak (17·3 per cent) and Kedah (9·7 per cent) and lowest in Perlis and Trengganu (no estates using machines), Pehang (1·9 per cent) and Negri Sembilan (3·9 per cent). 6·5 per cent of all estates used tractors. Of those using tractors 47 per cent used horticultural tractors only and 51·5 per cent used farm tractors. Only 2·7 per cent of estates used tractor-implements. Most of the machines other than tractors were grass-cutters.

The main reason why there is so little mechanisation is that the typical estate in Malaya is devoted to tree crops, and the scope for mechanical cultivation is limited. Most estates therefore rely on hand labour using traditional cultivation tools such as the " chankol " (a broad and deep hoe) and the fork. This tendency was strengthened before the war by the fact that labour was cheap and the workers themselves were more accustomed to these tools than to machinery. Rising labour costs since the war have, however, caused an increasing number of estates to adopt mechanical aids, although this process has still not gone very far. In recent years the Department of Agriculture has conducted extensive investigations into the mechanisation of wet rice cultivation (see below).

The Chinese small-holder, apart from the rubber grower, is typically a market gardener. This type of agriculture is very intensive, and the growing of vegetables for sale is combined with the keeping of pigs. A fair proportion of the fresh food supplies of the towns in Malaya comes from this source. Many of the small-holders practising this kind of agriculture since the war have been illegal squatters, and the recent Government resettlement programme diminished the extent of this type of farming for a period, but by 1953 these adverse effects of resettlement had been overcome by the allocation and agricultural development of land adjoining the new villages.

Local Food Products

The staple diet of most of the population of the Federation is *rice*, and, although the territory is far from self-sufficient in this product, it is the main food crop grown, being cultivated mainly by Malays, and especially in the three states of Kedah, Kelantan and Perak, which, as the table on page 16 shows, accounted for 67 per cent of the area planted with padi in 1952. By far the greater part of the rice grown is wet padi, which accounted for 95 per cent of the area under padi and 97 per cent of the padi yield in 1952.

The methods of growing rice under the " wet " system vary from one part of the country to another. In certain areas a system of wet nurseries with several transplantings is used. The seed, after being soaked for some days, is planted in a floating seed bed, and after two transplantings is planted out in the fields which have been cleared of vegetation and inundated some weeks before. Sometimes the fields are cultivated with a wooden plough drawn by a buffalo, and sometimes with the *chankol*. In very swampy areas, the land is prepared by driving buffaloes on to the fields and letting them trample the old vegetation under the mud.

The wet cultivation of rice depends on a highly developed system of water control and irrigation, and such control has been practised by the Malay peasant for centuries over numerous small areas. Irrigation areas on a larger scale have been provided by the Government since 1906, when an irrigation system over 60,000 acres in the Krian area was made available for padi growers. More recently, a Drainage and Irrigation Department was set up, which has considerably enlarged the area under irrigation for rice growers. The following table shows areas irrigated by the Department in 1953 :—

IRRIGATED RICE AREAS, 1953

State/Settlement	*Irrigated rice areas (acres)*
Johore	11,980
Malacca	16,450
Negri Sembilan	9,810
Pahang	27,000
Selangor	52,600
Perak	96,720
Penang & Province Wellesley ..	32.130
Kelantan	11,480
Trengganu	34,610
Total	292,780

The above totals exclude rice growing areas in Kedah and Perlis where irrigation schemes were under construction in 1953 to irrigate 91,000 acres of existing padi land and to bring into production 26,000 acres of potential padi land.

The Government has plans to increase the area under controlled irrigation both in the present padi areas and in new areas.

More than a half of the area under dry rice is in Kelantan. There, the land is prepared by a series of about four shallow ploughings and harrowings, but there is little cultivation after the seed is sown. The rotation is frequently two years of crop followed by two of fallow. As the table on page 17 shows, the yield of dry padi is usually only about a half of the yield of wet padi, and is also subject to sharper variations as a result of changes in rainfall.

A form of shifting cultivation of padi, known as the " Tenggala " system, is also practised in parts of Malaya. Under this system, land is cultivated under padi, in either wet or dry conditions, for not more than four years, and is then allowed to revert to grass-land, cattle-grazing land, or secondary jungle for a period.

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* D. H. Grist: An Outline of Malayan Agriculture (S.S. and F.M.S. Department of Agriculture, Kuala Lumpur, 1936) page 55.

† This percentage refers to estates which answered the questionnaire. 15·4 per cent. of the estates failed to submit returns.

AREA PLANTED WITH VARIOUS CROPS, 31st DECEMBER, 1952

(Acres)

State/Settlement	*Rubber**			*Padi*			*Coconuts*	*Oil Palms*	*Pine-apples*	*Bananas*	*Other Fruits*	*Tapioca*	*Other Food Crops*	*Areca-nuts*	*Other Spices*	*Nipah*	*Tea*	*Coffee*	*Other Crops*
	Estates†	*Small-holdings*	*Total*	*Wet*	*Dry*	*Total*													
Perak	292,562	278,454	571,016	99,733	1,037	100,770	103,103	23,966	1,836	8,986	23,571	3,700	11,380	3,247	806	6,719	705	485	5,142
Selangor	346,599	163,873	510,472	45,693	—	45,693	117,252	21,341	3,829	4,320	8,334	3,075	6,259	109	347	4,628	2,584	6,185	926
Negri Sembilan	277,514	125,341	402,855	28,458	10	28,468	5,223	3,346	65	975	3,575	809	918	155	153	400	—	126	98
Pahang	103,821	97,447	201,268	27,778	2,361	30,139	15,986	6,092	125	4,415	8,693	2,310	4,218	682	639	4,500	6.070	84	4,698
Malacca	125,003	84,526	209,529	26,650	5	26,655	11,267	—	299	3,685	4,689	658	2,738	314	608	1,041	40	18	145
Penang and Province Wellesley	38,522	28,832	67,354	38,508	20	38,528	47,244	729	388	677	3,173	1,112	1,091	1,216	427	2,414	—	—	80
Johore	507,868	534,729	1,042,597	1,292	3	1,295	117,465	44,226	16,335	4,226	12,199	4,044	6,710	21,151	493	2,320	8	1,362	372
Kedah	217,642	141,626	359,268	277,325	2,697	280,022	31,119	—	717	8,196	13,246	1,970	4,706	8,870	1,532	5,184	150	956	815
Perlis	1,927	4,577	6,504	48,685	75	48,760	3,222	—	55	1,326	2,203	13	227	950	235	497	—	1	233
Kelantan	35,860	68,282	104,142	145,104	29,000	174,104	39,895	482	912	1,945	10,582	4,940	10,577	4,590	2,564	1,552	—	15	700
Trengganu	16,417	43,799	60,216	46,282	8,531	54,813	20,918	—	282	1,506	8,811	797	1,440	3,578	556	4,494	—	67	864
Total	1,963,735	1,571,486	3,535,221	785,508	43,739	829,247	512,694	100,182	24,843	40,257	99,076	23,428	50,327	44,862	8,360	33,749	9,557	9,299	14,073

* 1951 figures.
† Over 100 acres.

The following table shows the area under padi and production of padi and rice during recent years :—

AREA AND PRODUCTION OF PADI AND RICE

Season		Wet Padi			Dry Padi		
	Planted Area (acres)	Yield of Padi* (tons)	Yield of Rice per acre (lb.)	Planted Area (acres)	Yield of Padi* (tons)	Yield of Rice per acre (lb.)	Rice Production (tons)
1937–38 ..	681,410	482,810	952	44,550	15,050	454	299,015
1938–39 ..	700,270	543,225	1,043	46,450	20,238	585	338,431
1939–40 ..	721,580	525,193	979	63,870	26,483	558	331,336
1940–41 ..	742,600	511,183	925	77,880	28,628	494	324,210
1945–46 ..	684,010	358,258	906	105,640	16,443	209	225,044
1946–47 ..	732,620	405,940	947	80,930	22,240	370	257,164
1947–48† ..	802,730	520,808	959	82,760	23,808	420	343,065
1948–49† ..	842,450	467,825	850	65,620	19,833	437	307,180
1949–50† ..	871,470	667,485	1,108	59,060	24,425	586	435,840
1950–51† ..	828,590	684,668	1,183	46,800	18,255	558	442,780
1951–52† ..	790,110	525,712	975	40,940	15,668	542	341,020
1952–53† ..	789,840	683,795	1,232	44,170	16,288	524	441,000
1953–54† ..	801,210	634,935	1,141	37,190	13,033	497	408,170

* Converted at the rate of 400 gantangs = 1 ton.

† Including off-season crop.

Malaya is not self-sufficient in rice. The following table shows net imports of rice into Malaya compared with total consumption :—

MALAYA: NET IMPORTS, PRODUCTION AND CONSUMPTION OF RICE

(Tons)

Year*	Net Imports	Production	Total Available for Consumption	Percentage of Production to Consumption
1938 ..	612,394	299,015	911,409	33
1939 ..	658,653†	338,431	997,084*	34
1940 ..	635,360†	331,336	966,896*	34
1941 ..	538,996‡	324,210	863,206§	N.A.
1946 ..	141,134	225,044	366,178	61
1947 ..	237,866	257,164	495,030	51
1948 ..	449,739	343,065	792,804	43
1949 ..	495,029	307,180	802,209	38
1950 ..	435,958	435,840	871,798	49
1951 ..	498,929	442,780	941,709	47
1952 ..	423,007	341,020	764,027	45
1953 ..	494,365	441,000	935,365	47

* Season ending for production figures.

† Figures inflated as a result of Government stockpiling.

‡ January–October.

§ Incomplete.

N.A. = Not available.

The above figures refer to Malaya as a whole. For the Federation the proportion of local production to consumption is higher. In 1953 production in the Federation accounted for about 55 per cent of local consumption.

The level of rice imports has been lower since than before the war, mainly as a result of difficulties in the main exporting countries, Siam, Burma and Indo-China. Of these, only Siamese exports are at about their pre-war level. These shortages had, however, largely disappeared by 1953, and the main difficulty had become one of prices.

The Federation Government's policy is designed to reduce this dependence on rice imports, in view of the uncertainty of the future level of supplies. This is being done both by increasing the area under controlled irrigation and by the experimental mechanised planting of padi. These latter have shown promising results when applied to dry padi cultivation, but have been less successful when applied to wet padi. In the peat lands in particular the presence of submerged tree stumps and the effects of drying out on the soil have made mechanised cultivation very difficult, and the mechanised working of deep peat soils appears to be generally impracticable, unless special and possibly expensive measures are taken.[*]

The other method of increasing rice output is by increasing the yield per acre. Yields in Malaya are low, partly, it is believed, because of the comparatively short hours of daylight in the growing season, the lack of a well-defined dry season, and soil deficiencies. Some of the difficulties are obviously insurmountable, and no definite solution to the others has been found. It is hoped to cause a greater rise in yields by the use of selected seed, and the Federation Department of Agriculture has carried out a large scale programme of investigation into the problem of improving seed strains. The Department is also conducting investigations into the use of fertilisers, which have shown good responses on some soils but not on others.

Tapioca is the most important of other food crops. Up to the earlier years of the twentieth century, it was one of the principal export products of Malaya but its importance has declined as a result of the greater profitability of rubber cultivation. The main centres of production are now Kelantan, Johore, Perak and Selangor. No statistics of production are available, but net exports from Malaya during recent years were as follows :—

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[*] For information on the progress of these investigations up to 1953, see " A review of investigations into the mechanical cultivation and harvesting of wet padi with special reference to the latter " by E. F. Allen and D. W. M. Haynes, in the *Malayan Agricultural Journal*, April, 1953.

MALAYA : NET EXPORTS OF TAPIOCA PRODUCTS* (TONS)

Year	*Flake*	*Flour*	*Pearl*	*Total*
1938	980	−3,072	17,818	15,726
1939	1,068	−2 706	18,277	16,639
1940	762	−2,649	17,004	15,117
1941	601	−4,310	15,164	11,455
1946	−20	822	2,454	3,256
1947	52	6,490	7,205	13,747
1948	304	−1,999	14,262	12,567
1949	737	−278	12,345	12,804
1950	1,098	−2,782	13,507	11,823
1951	462	−4,475	10,230	6,217
1952	−39	−4,075	6,304	2,190
1953	—127	—7,362	5,472	—2,017

N.B.—Negative items in the above table represent net imports.

* Not including tapioca refuse, of which about 10,000 tons are imported annually for pig food.

Other food crops include *sweet potato*—mainly grown in Johore and Perak—*sago*, *colocasia*, and *vegetables* grown by Chinese in market gardens. Fruits are grown widely throughout the Federation and are an important source of food. *Bananas* are the most important of these fruits, the main varieties cultivated being those which require to be cooked before being eaten. The level of production is unknown, but is probably about 250,000 tons of bunches per year. No exports of bananas are recorded, the whole of production being consumed locally. Other fruits grown for local consumption include *durians*, *dukus*, *rambutans*, *soursops*, *guavas*, *passion fruit*, *mangosteen* and *belimbings*. *Citrus fruits*, although grown on a small scale, have never proved very successful in the Federation.

Some indication of the extent of the effect of the resettlement programme[†] on output of food crops can be obtained from the fact that the area under food crops (except rice) fell from 95,727 acres at the end of 1948 to 67,465 acres at the end of 1951, but had risen to 82,082 acres by the end of 1953. Imports of fresh vegetables into the Federation rose from 7,326 tons in 1948 to 12,680 tons in 1951. Pig exports from the Federation to Singapore fell from 115,400 in 1949 to 37,542 in 1951. Not all of these changes can be completely attributed to the resettlement programme ; the high price of rubber in 1951 may also have had some effect. It appears probable, however, that the process of resettlement did have a considerable effect in cutting down food production during the period 1950–51. By 1953, however, production on new land had risen steeply, and there was a sharp fall in local food prices.

Cash Crops

Rubber is by far the most important cash crop in the Federation. Its importance in the Federation's economy is shown by the fact that it accounts for about 64 per cent of the planted area and for about 56 per cent of the value of the Federation's exports in 1953.

The Para rubber tree—*Hevea Brasiliensis*—was introduced in Malaya in the late 1870's, but it was not till about 1905 that the rubber plantation industry began to develop to any extent. Since then the fortunes of the Malayan economy have been closely tied up with those of the rubber industry.

The rubber tree is particularly suited to Malayan conditions, since it is tolerant of soils which are unsuitable for most other important tropical economic crops. Since many Malayan soils are poor in quality, rubber is one of the few crops which has stood the test of time.

The following table shows the increase in rubber production since the early years of the century in the territories now comprising the Federation of Malaya :—

FEDERATION OF MALAYA : RUBBER PRODUCTION
(Tons—dry weight or dry rubber content)

Year	*Estates*	*Small-holdings (under 100 acres)*	*Total*
1910	N.A.	N.A.	5,713†
1920	N.A.	N.A.	174,322†
1930	234,118	215,269*	449,387*
1931	237,309	195,422*	432,731*
1932	238,254	177,030*	415,284*
1933	239,160	218,825*	457,985*
1934	259,991	217,003*	476,994*
1935	240,158	133,025	373,183
1936	230,888	129,290	360,178
1937	311,643	185,792	497,435
1938	244,084	113,238	357,322
1939	242,956	114,934	357,900
1940	331,589	212,726	544,315
1941 (Jan.–Oct.) ..	307,424	188,002	495,426
1946	173,515	229,692	403,207
1947	359,865	285,634	645,229
1948	402,907	294,071	696,978
1949	400,009	270,248	670,257
1950	375,853	316,732	692,585
1951	327,956	275,924	603,880
1952	341,078	241,571	582,649
1953	341,117	231,675	572,792

* Including possibly 2,000 tons per annum of Singapore small-holders' production.

†Net exports. N.A. = Not available.

As the foregoing table shows, the industry is divided between estates—mainly European but also Asian owned —and smallholdings, all Asian owned.

The *estates* vary greatly in size, from a few hundred to several thousand acres each. Although there are over two thousand estates operating, the number of effectively independent units is considerably less, owing to interlocking directorates and the common management of a number of estates by secretarial firms. The following table shows the number of estates of different sizes operating in the Federation in 1953 :—

SIZE OF RUBBER ESTATES, 1953

Size of Estate (acres)	*European*		*Chinese*		*Indian and Others*		*Total*	
	Number	*Area (acres)*	*Number*	*Area (acres)*	*Number*	*Area (acres)*	*Number*	*Area (acres)*
5,000 and over ..	48	343,703	4	30,510	2	14,360	54	388,573
1,000–4,999	437	935,739	74	130,945	14	24,597	525	1,091,281
500–999	143	108,022	134	94,110	35	25,234	312	227,366
100–499	85	24,974	1,033	206,541	480	90,971	1,598	322,486
Total	713	1,412,438	1,245	462,106	531	155,162	2,489	2,029,706

As the above table shows, most of the European estates are between 1,000 and 5,000 acres in size, whereas most of the Chinese and Indian estates are of less than 500 acres. The average size of European estates in 1953 was 1,980 acres, of Chinese estates, 371 acres, and of other estates, 292. The figures for Chinese and other estates are somewhat misleading, since many of the units described as smallholdings (see below) are between 20 and 100 acres in size, and differ little in organisation from the smaller estates, being owned by absentee landlords and worked by wage-labour.

[†] See above, p. 15.

Out of the 731 European estates in 1953, 492 were owned by public limited liability companies and the other 221 by private limited liability companies or were privately owned. On the other hand, only 16 of the 1,245 Chinese estates and two of the Indian estates were owned by public companies.

Apart from general world market prospects and the competition of synthetic rubber, the future of the estate industry will depend mainly on increased efficiency and yields. One of the principal means by which yields are being increased is by the use of high-yielding planting material, either budgrafts of clonal seedlings. During the period of the Rubber Restriction Scheme new planting was prohibited except for limited experimental and other purposes, but a certain proportion of re-planting of existing rubber areas was allowed. These restrictions were somewhat relaxed in 1939, but were not abolished until 1948. Before then many of the more efficient estates had undertaken a fair amount of replanting allowed by the provisions of the scheme. The following table shows the areas under improved planting material on estates in 1953 :—

AREA OF APPROVED HIGH-YIELDING MATERIAL ON ESTATES, 1953
(Thousand acres)

Nationality of Estate	*Budgrafts*	*Clonal Seedlings*	*Total High-Yielding Material*	*Total Area Planted*
European ..	458	125	583	1,412
Chinese ..	95	18	113	462
Indian ..	12	5	17	113
Others ..	14	1	14	42
Total ..	579	148	728	2,030

Efficiency depends not only on the use of better planting material, but also on proper soil management and the age of the trees. Many of the estates before the war adopted practices such as clean weeding which led to soil erosion and deterioration. There has, however, been a considerable improvement during recent years, and the more efficient estates adopt soil conservation practices such as the planting of cover crops. Detailed statistics showing the age of trees on plantations are not available, but the following table shows the extent of replanting and new planting on estates since 1930 in Malaya :—

MALAYA : AREA PLANTED AND REPLANTED ON RUBBER ESTATES (acres)

Year	*New Planting*	*Replanting*	*Total*
1930† ..	13,849	N.A.	N.A.
1931† ..	5,791	N.A.	N.A.
1932† ..	1,713	N.A.	N.A.
1933† ..	4,561	N.A.	N.A.
1934† ..	9,030	N.A.	N.A.
1935† ..	853*	4,937	5,790
1936	3,368*	20,727	24,095
1937	3,346*	29,039	32,385
1938	—	25,525	25,525
1939	92,473	36,282	128,755
1940	19,884	49,033	68,917
1946	N.A.	6,664	N.A.
1947	1,370	24,840	26,210
1948	6,623	45,542	52,165
1949	6,966	52,888	59,854
1950	5,776	44,051	49,827
1951	14,803	57,830	72,633
1952	7,224	51,338	58,562
1953	4,632	29,773	34,405

† Straits Settlements and Federated Malay States.
* For experimental purposes and nurseries.
N.A. = Not available.

Of the total planted area on estates in 1953 amounting to 2,030,000 acres, about 330,000 acres had been planted since 1945. According to the Report of the Mission of Enquiry into the Rubber Industry of Malaya (Kuala Lumpur, 1954), at least 3 per cent of the total estate area should be replanted annually for the long-term maintenance and improvement of the industry. As the foregoing table shows, in 1951 alone among post-war years has this proportion been reached.

Of the mature rubber area on estates in 1950, about 8 per cent was not tapped, and a further 7 per cent was normally out of tapping under systems of rotational tapping. The tapped area fell during 1951 as a result of the emergency, but had risen again to the 1950 level by 1953. Of the total tapable area in 1953, about 7 per cent was not being tapped, and a further 9 per cent was being periodically rested under rotational tapping systems.

The average yield of rubber on estates in 1953 was about 473 lb. per tapped acre. This average conceals, however, marked differences in actual yields—varying from as little as 300 lb. per acre on older and unimproved estates to over 800 lb. on the more progressive estates. It is theoretically possible to obtain yields of as much as 2,000 lb. per acre from improved strains, but average yields are lowered by the fact that the replacement of old rubber by improved varieties is only gradual, and the high proportion of unimproved rubber reduces the average yields obtained. Also, as has been pointed out above, improved strains alone will not give such high yields except in ideal soil conditions.

Estate costs have been rising steadily since before the war. Average cost of production on estates fell during the 1929–33 period from about 6d. to less than 3d. per lb., but rose after that date, reaching about 7d. per lb. in 1939. There has been a considerable rise since then, and some estates in 1951 were working at an average cost of 2s. a lb.—although part of these high costs may have been due to special factors arising out of the emergency, such as the restrictions on tapping in certain areas and expenditure on re-housing the labourers in enclosed areas. With the fall in rubber prices in 1952 and 1953, however, estates were forced to lower their costs by reducing wages and other means, but many estates were working at a loss when the rubber price fell to 1s. 4d.–1s. 6d. per lb. in the latter part of 1953. With the recovery of the rubber price in 1954 nearly all estates were able to meet their costs of production.

The main type of rubber produced by the estates is ribbed smoked sheet, but increasing quantities have been produced as latex during recent years. Prepared latex production in 1953 amounted to 72,347 tons (in terms of dry rubber content), or 21 per cent of the total rubber output of the estates. Of this, nearly all was prepared in the form of latex concentrate, about three-quarters as centrifugal concentrate and 17 per cent as cream concentrate. Other forms of rubber produced include sole crepe and specially softened rubbers.

The *smallholder's* side of the industry presents an equally varied picture. As is said above, the smallholders as officially classified can be roughly divided into two groups—medium holders owning rubber areas of between 15 and 100 acres and working them with hired labour, and genuine peasant holdings of from two to five acres worked without paid labour except, perhaps, for certain special work such as clearing and planting, although sometimes with tappers paid on a share basis.

As the Mission of Enquiry points out, " even if allowance is made for the fact that some families have title to more than one lot . . . it is evident that the majority of smallholding families have less than 6 acres of rubber, and a substantial proportion less than 3 acres."

Yields on smallholdings do not differ markedly from those on the average estate. The average smallholder's yield per planted acre in 1950 was 508 lb., but this was rather higher than in previous years, and it is probable that more intensive tapping was taking place in order to take advantage of the high prices ruling during the year. Yields per planted acre fell to 393 lb. in 1951, 350 lb. in 1952 and 306 lb. in 1953. Generally speaking, planting is closer on smallholdings than on estates, and the undergrowth is cleared only sufficiently to enable tappings to be carried out.

The following table, based on a pilot survey of smallholdings conducted for the Mission of Enquiry into the Rubber Industry of Malaya, gives estimates of the size of small and medium holdings in 1953:—

ANALYSIS OF RUBBER SMALL AND MEDIUM HOLDINGS, 1953

Size of Lot (*acres*)	*Number of Lots* (*thousands*)	*Number of Holdings* (*thousands*)	*Area of Mature Rubber* ('000 *acres*)	*Area of Immature Rubber* ('000 *acres*)
Smallholdings:				
1–2.9 ..	173	N.A.	320	20
3– 5.9 ..	160	N.A.	550	33
6– 9.9 ..	34	N.A.	211	10
10–24.9 ..	18	N.A.	219	16
Total Smallholdings	385	N.A.	1,300	79
Medium Holdings:				
25–39.9 ..	N.A.	3	84	14
40–59.9 ..	N.A.	3	118	13
60–99.9 ..	N.A.	1	76	14
Total Medium Holdings ..	N.A.	7	278	41
GRAND TOTAL	N.A.	N.A.	1,578	120

N.A. = Not available.

It is probable that the restrictions on new planting under the Rubber Restriction Agreements weakened the position of the smallholders, who were generally unable to undertake the cost of replanting on the limited areas allowed. The following table shows the amount of new planting and replanting by smallholders in recent years :—

AREA PLANTED AND REPLANTED BY SMALLHOLDERS (acres)

Year	*New Planting*	*Replanting*	*Total*
1930	8,962	N.A.	N.A.
1931	3,338	N.A.	N.A.
1932	1,927	N.A.	N.A.
1933	2,093	N.A.	N.A.
1934	6,763	N.A.	N.A.
1935	—	883	883
1936	—	371	371
1937	—	N.A.	N.A.
1938	—	N.A.	N.A.
1939	47,720	10,994	58,714
1940	3,526	14,019	17,545
1946	N.A.	N.A.	N.A.
1947	122	4,406	4,528
1948	1,915	1,982	3,897
1949	1,949	2,402	4,351
1950	3,581	3,499	7,080
1951	5,588	3,778	9,366
1952	6,725	4,250	10,975
1953	6,339	19,999	26,338

N.A. = Not available.

As the above tables show, replanting by smallholders since 1934 has been on a smaller scale than replanting by estates, in relation to their respective planted areas. As a result, the average age of smallholders' rubber is probably higher than that of the estates. According to figures prepared by the Rubber Smallholdings Enquiry Committee,[*] of the total smallholders' area of approximately 1,400,000 acres in 1952, about 375,000 acres, or 26·7 per cent, was more than 40 years old, 562,000 acres, or 40 per cent, was between 30 and 40 years old, 338,000 acres, or 24·1 per cent, was between 20 and 30 years old, and only 127,000 acres, or 9·1 per cent, was less than 20 years old. In other words, two-thirds of the rubber smallholding area in 1952 was more than 30 years old, and more than nine-tenths was over 20 years old. Although the actual age limit beyond which rubber trees will not yield rubber is not definitely established, yields tend to fall after about 25 years. Also, the older trees are generally of indifferent stock, and are low yielding in relation to the improved material now available.

The Federal Government set up a Committee in 1948 to suggest means of persuading smallholders to plant or replant with high-yielding material, what assistance Government should give, and to report on means of improving smallholders' rubber output generally. The Committee in its final report estimated the cost of replanting smallholders' rubber at $600 per acre, and recommended that an " inducement " grant of $500 per acre should be given to smallholders to replant with improved material, both to help to pay for the actual cost of replanting and to compensate for the loss of income during the period of immaturity of the new trees. The funds for these payments were to be derived from the proceeds of a cess on exports of smallholders' rubber.

The Federation Government in the beginning of 1951 imposed a sliding scale cess[†] on the export of rubber for the purpose of building up a fund to finance replanting. In March, 1952, an additional cess of 4½ Malayan cents per pound was introduced. Under the Rubber Industry (Replanting) Fund Ordinance of 1952, two funds were set up: Fund A, for estates, and Fund B, for smallholdings. The yields of the cesses are paid into the two funds in proportion to the respective output of estates and smallholdings.

Estates are credited with such sums in Fund A as it is estimated that they have contributed in payments of the sliding scale cess—allowance being made for administrative costs—and will be repaid such sums totally if they can show either that all their acreage is replanted with improved rubber or that they have undertaken an approved amount of replanting since 1946. Of the additional cess of 4½ cents per pound, which was imposed specially to assist smallholders to replant, that portion credited to estates is returned to them automatically. In 1952 interim arrangements were approved to enable advances for replanting to be made to smallholders known to be eligible to participate in Fund B, pending the promulgation of a more detailed scheme for all smallholders. It was also agreed to levy the 4½ cents cess on rubber whatever the export price. A detailed scheme was initiated in 1953, to enable smallholders to obtain assistance in the form of outright grants totalling $400 per acre of replanted rubber over a period of six years. This is estimated to be two-thirds of the cost of replanting. It was planned to replant 500,000 acres on smallholdings in the first six years of the scheme's operation.

Almost the whole of smallholders' rubber output is in the form of ribbed smoked sheet, which can be simply prepared without expensive equipment. Conflicting views have been expressed concerning the standard of preparation of smallholders' rubber, but there appears to be a certain amount of room for improvement, and proposals have therefore been made for the bulk collection and processing of smallholders' latex. Nineteen rubber processing co-operative societies were in operation in the Federation at the end of 1952, and the Rural Industrial and Development Authority had initiated several schemes for latex collection and processing. Progress in this field has, however, been slow.

The future of the Malayan rubber industry is rendered uncertain by doubts concerning the level of rubber prices. The course of rubber prices since the war has done little to belie the commodity's pre-war reputation for instability. The control agreement lapsed in effect during the war, and since the war there has been, in theory at least, a free market in rubber. In practice, however, buying in certain major consuming countries has been at various times concentrated in Government hands, and the price has therefore responded to changes in Government buying policy, particularly in the United States. Another major factor influencing the price of rubber since the war has been the growth of a considerable synthetic rubber industry, again especially in the United States, and restrictions which were in force in the States until 1952 restricting the use of natural rubber.

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[*] " Final Report of the Rubber Smallholdings Enquiry Committee " (Federation of Malaya: Federal Legislative Council Paper No. 8 of 1952).

[†] See below under " export duties " page 36.

As a result of these factors and others, such as the Korean war, the price of rubber has been extremely variable since 1945. The following table shows the average price of No. 1 R.S.S. rubber during recent years at Singapore :—

AVERAGE PRICE OF NATURAL RUBBER

(Singapore : No. 1 R.S.S. f.o.b. : Malayan cents per pound)

1937	32·1	1948	42·2
1938	24·1	1949	38·2
1939	31·0	1950	108·2
1940	37·6	1951	169·6
1941	38·6	1952	96·4
1946 (December) ..	41·9	1953	67·4
1947	37·3		

The above figures refer only to No. 1 R.S.S., but a large proportion of Malayan production is of lower grades. Estate rubber is mainly Nos. 1 and 2 R.S.S., while smallholders' output is generally stated to be mainly Nos. 3–5 R.S.S. The price differential between the various grades has tended to widen since before the war. In 1938, the f.o.b. Singapore price of No. 3 R.S.S. was about a third of a cent per lb. lower than that of No. 1 R.S.S.—a difference of about 0·7 per cent. In 1952, the average difference was 7·7 cents, or 8 per cent of the average price of No. 1 R.S.S. during the year. To some extent, this increase in the price differential was due to temporary causes, such as the demand for the top grades by the American stock-piling authorities, and by the middle of 1954 the margin had fallen to 2·1 per cent of the price of No. 1 R.S.S. The difference between the various grades is mainly one of amounts of dirt in the rubber, and it should be possible for smallholders, with a certain amount of care, to produce a cleaner product.

Some idea of the relation between the f.o.b. price Singapore and the price actually received by smallholders can be obtained from the following table, which shows average prices paid by licensed rubber dealers for smallholding rubber in June, 1953, in different parts of the Federation, compared with the price f.o.b. Singapore at the same date.

AVERAGE PRICES PAID BY LICENSED RUBBER DEALERS FOR SMALLHOLDING RUBBER, JUNE, 1953

(In Malayan cents per lb.)

State and Town		No. 1 R.S.S.	No. 2 R.S.S.	No. 3 R.S.S.
Pahang	Kuantan ..	50·1	47·5	44·5
	Raub	54·0	50·2	48·7
Selangor	..Kuala Lumpur	56·4	53·2	50·0
Johore	Batu Pahat ..	55·5	53·5	50·2
	Johore Bahru	54·8	52·5	49·5
Perak	Ipoh	54·8	52·5	49·5
	Taiping ..	55·4	52·8	50·1
Malacca	..Malacca ..	55·2	52·8	49·8
Kedah	..Alor Star ..	56·3	53·1	50·1
Negri Sembilan	Seremban ..	55·8	53·2	50·1
	Kuala Pilah ..	55·0	52·6	49·6
Singapore price f.o.b. ..		67·5	65·4	62·4

Oil palms are grown in Malaya only as an estate crop, frequently combined with rubber. Most of the area under oil palms is on large estates. Out of the 90,507 acres planted with oil palms in 1949, 66,740 acres, or 73·7 per cent, was on estates of over 2,000 acres, and a further 11,261 acres, or 12·4 per cent, was on estates of between 1,000 and 2,000 acres. Only 3,010 acres, or 3·3 per cent of the planted area, was on estates of less than 500 acres. Of the total oil palm area, 85·8 per cent was European owned and 13·2 per cent Chinese owned. Most of the plantations are in Johore, Perak and Selangor.

Like rubber, the oil palm is not a native of Malaya. It was first introduced in 1875, and it was not until 1917 that it was first grown on a plantation. The following table shows production during recent years :—

PRODUCTION AND NET EXPORTS OF OIL PALM PRODUCTS† (tons)

Year	Palm Oil		Palm Kernels	
	Production	Net Exports	Production	Net Exports
1937	45,666	42,787	7,906	7,312
1938	51,067	54,377	8,779	9,359
1939	57,373	59,712	10,172	10,774
1940	57,972	56,091	9,611	9,219
1941	38,588	44,406	2,332	1,984
1946	11,756	8,179	931	153
1947	39,115	43,325	5,737	5,245
1948	45,258	47,259	8,471	6,461
1949	50,561	55,211	10,459	8,744
1950	53,171	50,638	11,437	9,070
1951	48,274	45,022	11,771	11,809
1952	45,095	46,008	11,248	10,869
1953	49,098	49,502	12,669	12,613

† Net exports cover Malaya (including Singapore) : production figures are for the Federation only.

A small amount of palm kernel oil is expressed locally, but the exact quantity is not known—1,282 tons were exported in 1953. Palm kernels have not been important in the Malayan oil palm industry, because the type of fruit grown in Malaya has fairly small kernels in relation to the size of the fleshy parts of the fruit, from which the palm oil is produced.

Coconuts.—" The coconut palm may be seen growing almost everywhere in Malaya, for wherever a Malay settles, he plants at least a few coconuts : coconut palms date the birth of his children, besides supplying food, drink, fuel and many other necessities of life."* There are, however, areas in which there is a greater concentration of coconuts, especially in the low coastal plains and near the lower reaches of the rivers.

Coconuts are grown in Malaya mainly by peasants. Of the 512,000 acres under coconuts in 1952, only 125,000 acres, or less than 25 per cent, was on estates of 100 acres and over. A large part of production is consumed locally in the form of nuts, coconut oil and toddy, so that production statistics, except for estates, are mainly estimates. It is believed that smallholders account for about 70 per cent of Malayan copra production, and estates for the remaining 30 per cent. This does not, of course, include nuts consumed as such, mainly from smallholders' output. Total copra production was estimated at about 149,000 tons in 1950, 160,000 tons in 1951, 154,000 tons in 1952 and 152,000 tons in 1953. Probably about 55–60 per cent of local production is exported, either as copra or as coconut oil, although an exact calculation is not possible owing to the considerable local coconut milling industry in Penang and Singapore, which produces oil from both Malayan and imported copra. Sixty-seven mills were in operation at the end of 1953, with an annual output of about 80,000 tons of oil and 50,000 tons of copra cake. The following table shows net exports of coconut products during recent years.

MALAYA : NET EXPORTS OF COCONUT PRODUCTS (tons)

Year	Fresh Coconuts	Copra	Coconut Oil	Copra Cake
1937	6,802	75,592	39,762	15,026*
1938	8,339	68,754	49,140	7,112
1939	6,948	34,420	61,360	10,707
1940	9,391	− 9,904	69,446	−1,215
1941	12,486	−32,682	64,945	−5,659
1946	297	−34,213	8,008	−2,226
1947	4,491	−45,439	41,112	−5,260
1948	3,206	−28,624	45,245	−12,176
1949	1,569	−24,424	60,504	−27,643
1950	2,640	4,777	56,045	−31,105
1951	2,324	−10,877	68,139	−37,891
1952	6,716	−27,821	65,113	−60,287
1953	6,300	5,352	54,111	−59,128

* Gross exports.

— Minus quantities represent net imports.

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* D. H. Grist : " An outline of Malayan agriculture ", p. 102.

Kiln-drying of copra is common in Malaya, owing to the heavy and well-distributed rainfall which renders sun-drying very difficult. Some smallholders, however, sun-dry their copra, owing to their lack of the resources necessary for kiln-drying.

There is no recorded domestic production of coir or dessicated coconut. The coconut husks are either used as fuel for the kilns or returned to the soil to rot. Some charcoal is made from the shells.

The price of Malayan copra has been subject to sharp variations during recent years. The Penang price of fair merchantable sundried—the higher grade of Malayan copra—averaged £41 per ton in 1947, £66 per ton in 1948, £60 per ton in 1949, £74 per ton in 1950, £86 per ton in 1951, £57 per ton in 1952 and £69 per ton in 1953.

Pineapples.—Before the war, the Malayan pineapple industry produced about two and a half million cases (of 4 dozen 1½ lb. cans) of tinned pineapples annually, as well as a fair proportion of fresh fruit. Pineapples were grown initially as a catch crop in conjunction with rubber, mainly in Johore and Selangor but later, on much unsuitable hill land, as a sole crop. Little attention was paid either to the question of suitable soils or to the improvement of quality. The Malayan product owed its popularity to its low price, resulting more from the cheapness of labour than from the efficiency of the industry, and its quality was usually inferior to the Hawaiian product. Thus, although Malaya accounted for 27 per cent of world production and 80 per cent of the world export trade in canned pineapple in 1937, the industry suffered from serious weaknesses, such as inefficient methods of harvesting and marketing the fruit, and poor factory methods.*

During the war and the Japanese occupation, the cultivation of the canning pineapple was discontinued, and most of the land under pineapple reverted to secondary jungle, or was in any case so eroded that the plantations died, and most of the canneries were denuded of machinery and abandoned. By the end of the war, the area under pineapple cultivation had been reduced from 60,000 acres to about 3,000 acres, and the industry was practically dead.

The rehabilitation of the industry since then is shown in the following table :—

MALAYA : GROSS EXPORTS OF CANNED PINEAPPLES

Year	*Quantity*		*Value* ($'000)
	Tons	*'000 Cases*	
1937	62,614	2,596	8,826
1938	56,909	2,351	7,263
1939	65,802	2,725	9,928
1940	40,243	1,543	8,436
1941	15,086	612	3,014
1946	13	1	12
1947	2,611	87	2,431
1948	4,099	146	3,653
1949	8,137	298	6,307
1950	14,671	551	12,204
1951	16,913	636	16,884
1952	11,781	521	12,564
1953	17,391	769	19,003

Production of canned pineapple rose from 88,000 cases in 1947 to 141,000 cases in 1948, 321,000 cases in 1949, 562,000 cases in 1950, 606,000 cases in 1951 and 590,000 cases (13·851 tons) in 1952 and 18·205 tons in 1953. 1,676 tons of pineapple juice were also exported in 1953.

The Federation Government has attempted to ensure that the pineapple industry is re-established on a sounder basis than its pre-war one. Under the Pineapple Industry Ordinance of 1951, pineapple canneries must be registered by the Government, and such registration may be refused if a cannery does not meet certain standards of hygiene and efficiency. The High Commissioner in Council is also empowered to make regulations in regard to, *inter alia*, the cultivation, packing, grading and fixing of prices for pineapples.

Prices for canned pineapple have been very considerably higher since than before the war. In 1938, the average price per case of 48 cans of 1½ lb. each was $2·79 for cubes, $2·75 for sliced flat, and $3·09 for sliced tall (6s. 6d., 6s. 5d. and 7s. 3d. respectively), or between 1½d. and 2d. per can. Under the impact of these low prices, a fair proportion of the industry was facing bankruptcy, and was meeting the threat by cutting wages and paying such low prices to the growers that the area under pineapple was tending to decline.

Since the war, partly as a result of currency difficulties which have restricted the sale of Hawaiian pineapple in sterling markets, but also because of the decline of the Malayan industry itself, the price of Malayan pineapple has been much higher. In 1950, the average export price of pineapples was $832 per ton, or about $24 per case. In 1951, the export price was about $1,000 per ton, in 1952 $1,067 per ton, and in 1953 $1,093 per ton.

The largest market is the United Kingdom, which purchased about 77 per cent of Malaya's pineapple exports in 1953. The Ministry of Food was the sole importer of canned pineapple into the United Kingdom until the end of 1953, when the trade reverted to private channels.

Tea is grown mainly by estates, but Chinese smallholders have also grown and prepared tea for many years on a small scale. Sixty-one per cent of the area under tea on estates in 1952 was in the Cameron Highlands, although this area only accounted for 40 per cent of estate production. Tea is also grown by estates in lowland areas of Kedah, Perak, Selangor and Johore.

The greater part of estate production is of black tea, but small amounts (about 3·5 per cent of total production) of green tea are also produced. The smallholders produce a greyish-green leaf which is sold mainly to Chinese tin-mine owners who supply tea to their labourers.

The following table shows estate production and exports of made tea during recent years. No statistics are available showing production or exports of tea grown by smallholders.

FEDERATION OF MALAYA : PRODUCTION, DOMESTIC EXPORTS AND LOCAL SALES OF MADE TEA

(Estates only, '000 lb.)

Year	*Production*	*Exports**	*Local Sales*
1937	1,001	583	412
1938	1,217	747	435
1939	1,313	648	618
1940	1,574	663	839
1941	1,608	454	899
1946	421	—	406
1947	1,242	108	886
1948	2,258	642	1,447
1949	3,234	1,853	1,606
1950	3,318	1,660	1,611
1951	3,684	1,727	1,887
1952	3,785	1,598	2,016
1953	4,187	2,159	2,021

* Including exports to Singapore.

A number of spices are grown in Malaya. Of these, the most important is the *Arecanut*, or Betel-nut, which is grown as a smallholding crop mainly in parts of Johore, Kedah and Kelantan. The arecanut palm appears to grow well with very little attention or cultivation as long as the soil is suitable. Exact production figures are not available, owing to the fair amount of local consumption. There is a considerable entrepôt trade in arecanuts in Malaya, and the following table shows net exports during recent years :—

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* For a fuller account, see G. E. Courtenay: "The Resuscitation of the Malayan Canned Pineapple Industry".

MALAYA : NET EXPORTS OF ARECANUTS

Year	*Net Exports* (*tons*)
1937	30,084
1938	33,769
1939	38,489
1940	43,915
1941	24 633
1946	9,000
1947	12,507
1948	6,042
1949	5,607
1950	14,867
1951	13,547
1952	10,467
1953	11,580

Other spices grown in Malaya include *chillies*, *sireh* (or *betel vine*), *ginger* and *turmeric*.

Other cash crops cultivated on a small scale in the Federation include the nipah palm, which grows wild in many parts and which is cultivated both for its sap—a source of sugar and alcohol—and its leaves, which are used for the production of a roofing material known as attap—coffee, tobacco, gambier—a tanning material of which net exports before the war averaged about 2,000 tons per year, but have been only a few hundred tons per year since the war—kapok and derris. No production figures are available for any of these crops.

Consideration has been given by the Federation Government to the problem of introducing new cash crops into Malaya in order to reduce the dangerous dependence of the economy on rubber. In the past, several crops have enjoyed a temporary boom in the area now covered by the Federation. Pepper was a major crop around Penang in the early years of the nineteenth century. Later, the growing of sugar cane expanded and reached its peak about the period after 1860. Coffee cultivation flourished in many parts of the country until the industry was ruined by disease and acute price fluctuations. All of these were finally superseded as major crops when rubber conquered Malaya in the early years of the present century. Among the crops whose possibilities have been examined is cocoa. A report* by Dr. Cheeseman in 1948 pointed out that not much of Malayan soil is suitable for cocoa, and those areas which are suitable are fairly widely scattered, so that it is unlikely that large continuous cocoa areas can be established. Dr. Cheeseman considered that there were possibilities for both estate and smallholder production of cocoa in the Federation, but that a certain period was required both for experimenting to find types of cocoa most suitable for Malayan conditions and to apportion suitable soils between estates and smallholders.

Experiments with cocoa planting have been undertaken both on agricultural stations and on estates which have co-operated with the Department of Agriculture. Early indications suggest that possibly the most satisfactory method of establishment may be under the shade of thinned out jungle. Manuring is believed to be unnecessary on some alluvial clay and volcanic soils, but on other types of soil manuring is necessary in the early stages of growth. Although the scale of the experiments have so far been limited by a shortage of suitable planting material, some of the areas planted have shown very good results, and West African Amelonado and Upper Amazon cacaos have both grown very vigorously.

Animal Husbandry

There is little, if any, natural pasture land in Malaya, and the livestock industry has never formed a major element in the national economy. The total value of livestock products, including meat, poultry, eggs and milk, amounted in 1950 to less than 5 per cent of the net national product. The following table shows the *net* value of animal products produced in 1950, according to Dr. Benham's estimates:—

MALAYA : NET OUTPUT OF ANIMAL PRODUCTS, 1950 (*a*)

($ million)

Meat		
Oxen	7·6	
Buffaloes	8·1	
Goats	0·9	
Swine	92·7	
Less value of feeding stuffs	29·6	
Net value of meat produced		79·7
Poultry		54·5
Milk marketed		10·5
Milk not marketed ..		2·6
Eggs		46·5
Total		193·8

(*a*) " The National Income of Malaya, 1947–49 " by Frederic Benham (Singapore, 1951).

The above table does not show the importance of livestock in the national economy, since buffaloes and cattle are widely used for draught purposes, especially in rice cultivation, and their use as meat is frequently only incidental to this main purpose. Standards of care and feeding are usually low, and there has in the past been little attempt to develop meat and milk production as a major industry. The main exception to this is the Chinese pig industry, which forms an integral part of Chinese smallholding agriculture. The demand for pig products is, however, limited to the non-Moslem and non-Hindu sections of the population, i.e., mainly the Chinese and Europeans.

According to the livestock census of 1953, there were in the Federation 279,000 oxen, 242,800 buffaloes, 288,700 goats, 26,000 sheep and 306,100 swine. Output of meat in recent years is shown in the following table :—

MEAT PRODUCTION* FROM LOCAL AND IMPORTED ANIMALS, 1948–53

(Tons)

Year	*Beef*			*Goats*			*Sheep*	*Swine*		
	Local	*Imported*	*Total*	*Local*	*Imported*	*Total*	*Imported*	*Local*	*Imported*	*Total*
1948	4,763	84	5,608	— 248	31	279	402	16,275	7	16,282
1949	5,044	497	5,541	291	12	303	460	18,132	—	18,132
1950	5,791	770	6,561	327	1	328	455	18,297	89	18,386
1951	4,974	1,879	6,853	381	11	392	380	18,454	176	18,630
1952	5,073	1,440	6,513	405	4	409	370	17,342	715	18,057
1953	7,091	587	7,678	452	3	455	367	15,675	1,011	16,686

* Recorded production only. Numbers of animals are slaughtered outside Government or licensed slaughter houses, and these do not appear in the above table.

A limiting factor on the expansion of poultry production in the past has been the prevalence of Ranikhet disease, but the discovery during recent years of a vaccine against this disease should enable the output of poultry to be considerably increased in the near future.

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* E. E. Cheeseman : " Report on Potentialities for the Cultivation of Cocoa in Malaya, Sarawak and North Borneo ". H.M.S.O. 1948 (Col. No. 230).

Forestry

The area of forest in the Federation is about 37,500 square miles (74 per cent of the total land area) of which about 8,500 square miles is productive forest reserve and 4,000 square miles is unproductive forest, reserved for protective purposes. In spite of lack of communications, there is no present difficulty in supplying all the timber needs of the country, but about half this requirement is being produced from State land forest which, as land alienation proceeds, will become progressively reduced in area. By intensive cultivation of improved timber crops in productive forest reserves, however, it is expected that increased yields from this source will more than compensate for failing supplies from State land, and that this fact, coupled with improved methods of utilization, will enable the country to be self supporting in forest products in perpetuity.

Among the main types of commercially valuable timbers present are *meranti*, *keruing* and *chengal*.

OUT-TURN IN '000 SOLID CUBIC FEET OF TIMBER AND FUEL, 1952

Primary hardwood* (round)	5,365
Other timbers (round)	44,179
Total timber (round)	49,544
Poles	5,807
Firewood	14,952
Charcoal	4,194
Total equivalent in round timber ..	74,497

* I.e., woods relatively durable in contact with ground, e.g., *chengal*.

The output of timber fell to 45·6 million cu. ft. in 1953, and there were also falls in the production of firewood, charcoal and poles.

OUT-TURN OF MINOR FOREST PRODUCE, 1952

	Unit	*Quantity*	*Value* ($)
Bamboos	—	—	34,396
Damar, superior ..	Pikuls*	12	12
Damar, other ..	,,	1,217	1,493
Gutta-percha ..	,,	7	303
Jelutong	,,	1,607	20,196
Nipah	—	—	110,321
Ratan	—	—	47,540
Wood oil	Gallons	35	7
Miscellaneous ..	—	—	77,989
Total	—	—	$292,257

* 1 pikul = 133⅓ lb.

The table below shows timber in recent years. Equivalent prices are not available for 1953, but in general there was a fall of about 20 per cent from the 1952 level. The greatest falling off in demand was for primary hardwoods.

Of the timber and fuel wood production in 1952, Perak accounted for 20,693,000 cubic feet (round equivalent), or 28 per cent ; Johore, 19,078,000 cubic feet, or 26 per cent ; Selangor, 7,548,000 cubic feet, or 10 per cent ; and Negri Sembilan, 9,065,000 cubic feet, or 12 per cent.

FOREST AREA, 1952

State/Settlement	*Reserved Forests (square miles)*	*Wild Life and Other Reserves under Forest (square miles)*	*Crown or State Land (square miles)*	*Total Forested Area (square miles)*	*Forested Land as Percentage of Total Area*
Perak	2,984	31	2,725	5,740	71·9
Selangor	838	6	722	1,566	49·4
Negri Sembilan	1,073	—	498	1,571	61·6
Pahang	2,779	1,210	8,226	12,215	88·1
Penang and Province Wellesley ..	23	—	17	40	10·2
Malacca	63	4	28	95	15·0
Johore	1,844	972	2,060	4,876	66·5
Kedah	1,322	20	685	2,027	55·3
Kelantan	779	326	3,556	4,661	81·2
Trengganu	720	399	3,477	4,596	91·1
Perlis	51	1	71	123	83·6
Total	12,476	2,969	22,065	37,510	74·0

PRICE OF TIMBER

(Dollars per ton of 50 cu. ft.)

	1941	1947	1948	1949	1950	1951	1952
Primary hardwoods (sawn)	60	190	196	221	276	386	420
Secondary hardwoods (sawn)	33	98	100	100	138	237	231
Light hardwoods (sawn)	33	79	96	98	124	214	198
Secondary hardwoods (logs)	10	33	30	35	51	101	79
Light hardwoods (logs)	10	33	28	31	40	82	66
Piles and Poles	25	55	59	50	64	70	60

Fisheries

Fishing is widely carried on by both Malays and Chinese around the coasts of the Federation, and it is estimated that over 60,000 persons are primarily occupied in this industry. Many Malay peasants also catch fish as well as practising one or other kind of agriculture, and the total number of persons who engage in fishing is therefore not known. Methods and efficiency vary widely from one part of the Federation to another. Mechanisation is greatest in Perak and Johore as the following table shows :—

FEDERATION OF MALAYA : FISHING BOATS, 1950

State	*Powered Boats*	*Non-Powered Boats*	*Total*
Perlis	14	299	313
Kedah	79	2,829	2,908
Penang and Province Wellesley	53	2,076	2,129
Perak	303	2,999	3,302
Selangor	10	2,363	2,373
Negri Sembilan ..	2	198	200
Malacca . ..	10	1,020	1,030
Johore . ..	334	3,587	3,921
Pahang . ..	—	798	798
Trengganu	—	4,458	4,458
Kelantan	6	1,371	1,377
Total	811	21,998	22,809

Perak is also the main fish producing state in the Federation accounting for 35 per cent of total production in 1952. The following table shows the wide variations in output per fisherman in the various states :—

FISH PRODUCTION, 1948/49

State	*Production ('000 Kattis)**	*Number of Fishermen*	*Production per Fisherman (Kattis)*
Perlis	4,580	1,262	3,629
Kedah	13,490	3,613	3,706
Penang	8,190	5,842	1,402
Perak	31,220	7,257	4,302
Selangor	11,040	5,609	1,968
Negri Sembilan ..	250	485	515
Malacca	4,360	2,691	1,620
Johore	9,480	3,344	2,835
Pahang	11,510	3,442	3,344
Trengganu ..	15,530	30,322	512
Kelantan	10,020	7,022	1,427

* 1 Katti = 1⅓ lb.

The difference between averages in Perak (4,302) and Trengganu (512) are due partly to the higher degree of mechanisation in the former State, but partly also to the fact that fishing on the east coast is not possible during the three or four months of the monsoon. The industry is also more highly organised on the west coast, because of better communications and the proximity of markets such as the tin-mining areas. The following tables shows landings of fish in 1938 and since the war. As will be seen, landings were reduced immediately after the war as a result of the destruction and loss of a fair part of the fishing fleet during the occupation. By 1950, however, output was above the pre-war level.

FEDERATION OF MALAYA : FISH LANDINGS

Year	*Tons*
1938	76,508
1946	40,000
1947	41,810
1948	53,198
1949	71,232
1950	94,562
1951	79,455
1952	96,608
1953	103,767

While fish distribution is largely in the hands of Chinese middlemen, there has been a development of co-operative marketing by Malays in a small way in a number of centres. At the same time, Malays, and in Penang, Muslims of mixed Arab-Indian-Malay origin (Pekan Jawi) have established themselves as distributors. These middlemen in many cases act as financiers, lending money to the fishermen, and thus exercise a certain amount of control over them, but it should be emphasised that the Chinese middleman in no way discriminates between the Malay or Chinese fisherman to whom he lends money.

Before the war, most of the fish was salted and sun-dried for marketing, but since the war, the bulk of the fish landed has been packed in ice for distribution by road transport and is consumed fresh.

Experiments have been carried out in the problems of expanding the fish farming industry. For the Muslim Malay, *Tilapia* appears to be the most suitable fish for the purpose. In the case of the Chinese, fish farming is well established as an integral part of an economy which produces pigs, poultry, vegetables and fruit, as well as fish. All the new rice areas which have been opened up with controlled drainage and irrigation have been stocked with *Trichogasta*, which has so far proved the most successful catch crop to rice. By these means it is hoped to increase considerably the output of fish from fresh water sources, which amounts at present to some 25,000 tons per year.

Minerals

Tin.—The Federation of Malaya is one of the world's foremost tin producers, accounting for about 32 per cent of world output of tin in concentrates in 1953. Tin ore has been mined in Malaya for centuries, and Chinese enterprise has been active in the industry for at least 500 years. Since the turn of the century, mining activities have been intensified, and European interests have played a leading part in their development.

The only tin mineral of any economic importance in Malaya is Cassiterite (SnO_2), and indeed, the term tin-concentrates in Malaya applies solely to that mineral. Tin-ore is found, associated with other minerals, in veins penetrating certain relatively small areas of the great masses of granite, and of the shales, quartzites, schists and limestones intruded by it ; which rocks constitute the greater part of the Malay Peninsula. Many of the richest deposits are found near the granite/limestone contact zones, but by far the greater part of the production of tin-concentrates comes from detrital deposits derived from these rocks by the processes of weathering, combined with the sorting action of stream water. It is the existence of these deposits, from which the ore can be won easily by dredging and gravel-pumping, that has given Malaya an advantage over certain other producers such as England and Bolivia, where the deposits have to be worked by underground methods. Before the war, lode mining provided merely 5 per cent of Malaya's tin output, although the largest underground tin mine in the world was being operated in Pahang and is steadily advancing again towards full production.

As the comparatively easily worked alluvial deposits become exhausted, Malaya must devote more and more attention to the search for new and probably lower-grade fields and for means of improving mining efficiency so that certain abandoned areas may be re-worked profitably.

The main tin producing areas are in Perak (the Kinta Valley, Klian Intan, Taiping, Sungei Siput, Tronoh, Temoh, Chenderiang and Bidor), Selangor (Kuala Lumpur and district, and Ulu Selangor), Negri Sembilan (Titi, Rantau, Mantin and Seremban) and Pahang (Sungei Lembing, Gambang, Bentong and Manchis). There are other tin mines in almost every State of the Federation. Of the total output in 1952, Perak accounted for 61·4 per cent, Selangor 29·0 per cent, Pahang 3·7 per cent, Negri Sembilan 3·1 per cent, and Johore, Perlis, Kedah, Trengganu and Malacca for the remaining 2·8 per cent.

Present Mining Methods.—Tin mining methods may be divided into the following categories : Dredging, gravel pumping, hydraulicing, open cast working, lode mining and dulang washing (hand panning). As the following table shows, dredging and gravel pumping accounted for 91 per cent of the total output in 1953.

FEDERATION OF MALAYA: PRODUCTION OF TIN-IN-CONCENTRATES* BY DIFFERENT METHODS

(Long Tons)

Year	*Dredging*	*Gravel Pumping*	*Other Methods*	*Total*
1938	18,539	15,772	6,894	41,205
1939	21,407	16,270	6,950	44,627
1940	42,204	28,298	10,149	80,651
1941 (Jan.-Sept.)	30,670	21,695	7,927	60,292
1942†	N.A.	N.A.	N.A.	15,748
1943†	N.A.	N.A.	N.A.	26,000
1944†	N.A.	N.A.	N.A.	9,309
1945†	N.A.	N.A.	N.A.	3,152
1946	2,067	2,707	3,658	8,432
1947	12,826	8 827	5,373	27,026
1948	21,932	16,253	6,631	44,815
1949	27,673	19,242	7,995	54,910
1950	28,005	21,261	8,271	57,537
1951	30,097	19,583	7,487	57,167
1952	29,586	21,588	5,664	56,838
1953	28,639	21,780	5,834	56,253

* I.e., estimated tin content of concentrates produced, the proportion of tin to concentrates being about 75 per cent in recent years.

† Approximate estimates. N.A. = Not available.

(N.B.—Production figures for 1938–41 are for Perak, Selangor, Negri Sembilan and Pahang only, since no figures are available for the then Unfederated Malay States. Since these latter probably accounted for less than 4 per cent of output, the omission is not serious.)

Dredging is carried out entirely by European companies, since it is a form of mining which requires a very heavy capital outlay. This form of extraction was most severely hit by the war and the Japanese occupation. In September, 1941, there were 121 dredges in Malaya, of which 103 were working and 18 were idle. In December, 1946, there were only 18 dredges operating and 26 being rehabilitated. The industry has been rapidly restored, and by the end of 1953 there were 76 dredges operated by 51 dredging companies. The capital cost of dredges has risen steeply since before the war, and although the operating costs of dredging companies are considerably less than those of any other kind of tin producer, the capital charges involved may tend, in the long run, to reduce the relative advantage of these producers. There are no signs, however, of any falling off in the proportion of tin won by dredges, but the number of dredges in operation is still less than before the war, when production was controlled under the International Tin Restriction Scheme.

Gravel pump mining is the method most popular with the Chinese. Until the late 1920's, this was the chief form of tin mining in Malaya, but since then it has taken second place to dredging. There were at the end of 1953, 482 gravel pump mines in operation, of which 461 were owned by Chinese and only 21 by Europeans. During recent years, there has been a great improvement in efficiency in gravel pump mining, and an increase in the degree of mechanisation, but operating costs are still well above those of the dredges.

Of the other forms of mining, hydraulicing and lode mining are both carried on mainly by European companies, while dulang washing is mainly undertaken by Chinese with a small proportion of Malay women. Output of tin-in-concentrates by different methods in the various States in 1952 is shown in the following table:—

OUTPUT OF TIN CONCENTRATES, 1952

(Pikuls)*

Production by European and other Mines and methods of Mining

State	*Mine*	*Dredging*	*Gravel Pumping*	*Hydraulicing*	*Open Casting*	*Underground*	*Miscellaneous*	*Dulang Washing*	*Totals*	*Grand Total*
Perak	European	402,772	28,815	33,883	—	—	48	—	465,518	781,711
	Other ..	—	302,770	1,684	—	1	2,201	9,537	316,193	
Selangor	European	217,830	1,659	—	8,435	—	—	—	227,924	368,651
	Other ..	—	124,729	—	5,799	—	—	10,199	140,727	
Negri Sembilan ..	European	26,951	—	—	—	—	—	—	26,951	38,819
	Other ..	—	11,391	1	131	12	—	333	11,868	
Pahang	European	2,565	—	—	—	44,217	25	—	46,807	46,878
	Other ..	—	—	—	—	—	20	51	71	
Johore	European	10,475	—	—	—	—	—	—	10,475	12,824
	Other ..	—	2,327	—	—	—	22	—	2,349	
Trengganu ..	Other ..	—	596	—	—	29	11	—	636	636
Kedah	European	2,136	—	—	—	—	—	—	2,136	11,154
	Other ..	—	8,633	—	108	—	185	92	9,018	
Perlis	Other ..	—	192	358	1,596	7,151	639	—	9,936	9,936
Malacca	Other ..	—	2,454	—	—	—	103	—	2,557	2,557
Totals ..	European	662,729	30,474	33,883	8,435	44,217	73	—	779,811	1,273,166
	Other ..	—	453,092	2,043	7,634	7,193	3,181	20,212	493,355	

* 1 pikul = 133⅓ lb.; 16·8 pikuls = 1 long ton.

Prices.—The price of tin has been subject to violent fluctuations in the past, a fact which gave rise to the pre-war International Control Scheme. This control came to an end in 1946, but the United Kingdom Ministry of Supply remained the sole purchaser of Malayan tin until November, 1949, when a free market was restored. The Singapore price of tin in recent years has been as follows:—

PRICE OF TIN—SINGAPORE EX-WORKS

(Yearly average: £ per ton)

1937	243·1
1938	194·5
1939	229·5
1940	254·9
1941	266·0
1946	335·0*
1947	411·9*
1948	532·1*
1949	561·4†
1950	723·5
1951	1,040·3
1952	945·4
1953	714·9

* United Kingdom Ministry of Supply purchase price.

† Average of Ministry of Supply purchase price for period up to November 14th and Singapore free market price for rest of year.

MALAYA: PRODUCTION AND EXPORTS OF METALLIC TIN

(Long Tons)

Year	*Production (tons)*	*Exports*†
1937	95,372	93,106
1938	63,746	61,187
1939	80,523	81,089
1940	126,945	130,935
1941	125,000*	108,896‡
1942	10,000*	9,600*
1943	15,000*	16,700*
1944	5,000*	4,000*
1945	2,500*	3,000*
1946	11,533	7,598
1947	29,318	32,072
1948	49,707	47,214
1949	62,737	54,783
1950	68,747	81,805
1951	65,914	64,956
1952	62,829	64,119
1953	62,410	61,752

* Estimated.

† Pre-war exports are from the Straits Settlements only (i.e., mainly Penang and Singapore).

‡ January–October.

Production of Metallic Tin.—Tin ore produced in the Federation is sent to Singapore or Penang for smelting; in the past a small quantity has been smelted in Kuala Lumpur for local use. Production of metallic tin during recent years in Malaya is shown in the adjacent table which also includes tin produced from concentrates imported from Thailand and other territories, amounting to some 20,000–30,000 tons annually before the war, but much less in recent years.

Power Supplies.—The tin-mining industry is the largest power consumer in the Federation. Many of the dredges use electricity, but, since the war, consumption has been restricted by the limited generating capacity. The opening of the Connaught Bridge Power Station early in 1953 helped to remedy this. A diminishing number of dredges use steam power, while gravel pump mines are large users of oil engines. There has in recent years been a considerable expansion in the use of high-speed diesel engines.

The following tables show different types and horse-power of machinery used in mines in recent years and the horse-power used in the various States by methods of mining in 1952:—

MACHINERY USED IN MINING*

(Active H.P.)

End of Year	*Steam*	*Oil*	*Electric*	*Gas*	*Hydraulic*	*Total*
1937	33,905	106,440	129,974	484	20,321	293,124
1938	20,252	66,327	113,910	135	22,765	223,389
1939	27,173	94,460	121,409	284	20,060	263,386
1940	30,554	128,060	156,228	210	20,895	335,947
1941 (Sept.) ..	29,433	131,183	151,244	210	18,401	330,471
1946	4,106	14,368	43,256	—	5,763	67,493
1947	14,982	62,248	82,675	—	10,189	170,094
1948	18,126	106,072	104,865	—	15,683	244,746
1949	25,060	122,375	121,722	—	16,110	285,267
1950	23,458	137,556	136,731	—	14,981	312,726
1951	22,318	156,268	148,248	—	14,470	341,304
1952	24,000	166,145	143,468	—	14,749	348,362
1953	20,806	150,409	148,734	—	11,001	330,950

* Including a small proportion used in mining other than tin.

ACTIVE HORSE POWER ON TIN MINES, 1952, BY STATES AND METHODS OF MINING

State	*Mine*	*Dredging*	*Gravel Pumping*	*Hydraulicing*	*Open Casting*	*Underground*	*Miscellaneous*	*Totals*		*Grand Totals*
								European	*Other*	
Perak	European	52,971	8,409	12,834	2,750	—	—	76,964	—	
	Other ..	—	122,084	2,634	455	—	—	—	125,173	202,137
Selangor	European	31,327	—	—	2,902	—	—	34,229	—	
	Other ..	—	57,894	83	3,018	—	—	—	60,995	95,224
Negri Sembilan ..	European	3,326	—	—	—	—	—	3,326	—	
	Other ..	—	6,682	—	—	—	—	—	6,682	10,008
Pahang	European	700	—	—	—	5,619	—	6,319	—	
	Other ..	—	—	—	—	—	—	—	—	6,319
Johore	European	1,433	—	—	—	—	—	1,433	—	
	Other ..	—	1,063	—	—	—	—	—	1,063	2,496
Trengganu ..	European	—	—	—	—	—	—	—	—	
	Other ..	—	—	—	—	—	—	—	—	—
Kedah	European	542	—	—	—	—	—	542	—	
	Other ..	—	4,344	—	—	—	—	—	4,344	4,886
Perlis	European	—	—	—	—	—	—	—	—	
	Other ..	—	135	—	93	725	—	—	953	953
Malacca	European	—	—	—	—	—	—	—	—	
	Other ..	—	1,335	—	—	—	110	—	1,445	1,445
Totals ..	European	90,299	8,409	12,834	5,652	5,619	—	122,813	—	
	Other ..	—	193,537	2,717	3,566	725	110	—	200,655	323,468

The future of the tin mining industry depends very largely on the rate at which prospecting uncovers new alluvial deposits. During the period of the International Tin Restriction Scheme, prospecting was limited and ore reserves were decreased. Prospecting was not resumed on any scale till 1947, and since the start of the " Emergency " in 1948, very little prospecting has been possible in outlying areas. There seems to be little doubt that, unless prospecting can be resumed on a considerable scale, tin output must fall seriously in the fairly near future.

It was estimated by Sir Lewis Fermor in 1938* that the reserves of tin ore on leased land in the Federated Malay States were sufficient to last for twenty years at a rate of extraction of 50,000 tons per annum (tin content). Since that date, little new exploration has taken place, and over six hundred thousand tons of tin-in-concentrates were extracted between 1939 and 1953.

Loans to Mines.—The Federation Government has given a great deal of assistance to mining concerns towards the rehabilitation of the industry since the war. Loans were granted to European mines through the Colonial Office in 1946 and 1947, and by the separately established Industrial Rehabilitation Finance Board after 1947. A Chinese Tin Mines Rehabilitation Loans Board provides loans for gravel pump mines. Financial allocations available at the end of 1949 were :—

	$'000
(i) Tin-mining Industry	
(*a*) From Colonial Office and Financial Secretariat	49,610
(*b*) From Industrial Rehabilitation Finance Board	10,438
(*c*) From Chinese Tin Mines Rehabilitation Board	18,467
Total ..	78,515
(ii) Gold-mining Industry	
From Industrial Rehabilitation Finance Board	3,030
(iii) Coal-mining Industry	
From Industrial Rehabilitation Finance Board	4,700
Grand Total ..	86,245

Coal is produced at Batu Arang in Selangor. It is of low grade with a high moisture content, and is non-coking. A typical analysis is :—

	Per cent		*B.T.U.*
Moisture	21	As received ..	9,000
Volatile matter ..	35	Dry basis ..	11,390
Fixed carbon ..	35	Dry free-ash basis	12,850
Ash	9		

The following table shows coal output during recent years :—

COAL PRODUCTION

Year	*Quantity (tons)*	*Value* ($'000)
1937	628,948	3,321
1938	477,908	3,227
1939	441,025	2,431
1940	781,509	5,842
1941	687,000	5,527
1942	244,590	Not known
1943	489,442	
1944	409,100	
1945	226,702	
1946	224,674	3,707
1947	226,301	4,176
1948	375,460	7,697
1949	385,502	7,903
1950	415,777	8,523
1951	382,539	7,843
1952	314,922	6,456
1953	286,364	8,071

Production has fallen recently because of lower demand. Malayan coal has proved to be hardly competitive with imported fuel oil, and there has been a widespread shift from coal to oil burning.

Gold is produced by an Australian company at Raub in Pahang, where the mine has been worked since 1889. Small quantities are also produced as a by-product of tin mining in Perak and Selangor. Of the total output in 1952, 92·1 per cent was produced in Pahang, 5·6 per cent in Perak and 2·3 per cent in Selangor.

The following table shows gold output during recent years :—

FEDERATION OF MALAYA* :
RAW GOLD PRODUCTION

Year	*Quantity* (*Troy Ounces*)	*Value* ($'000)
1937	33,828	1,894
1938	40,209	2,262
1939	40,283	2,457
1940	35,689	2,192
1941 (Jan.-Sept.) ..	24,804	1,494
1942	1,024	Not known
1943	2,213	
1944	1,212	
1945	287	
1946	445	29
1947	5,312	351
1948	10,212	674
1949	13,617	899
1950	18,436	1,872
1951	17,018	1,728
1952	19,807	2,011
1953	18,283	N.A.

* Pre-war figures are for the Federated Malay States. There appears, however, to be very little, if any, production of gold in Malaya outside these States. Some 580 ounces were produced in the U.F.M.S. in 1938—mainly in Kelantan.

The Raub mine was seriously damaged during the war, and, as the foregoing table shows, production is still well below the pre-war level. In 1952, permission was given to the mine to sell half of its output on the local free market.

Tungsten ores produced in Malaya include scheelite (calcium tungstate) and wolframite (iron-manganese tungstate). *Scheelite* is produced at Kramat Pulai in Perak and Tui and Raub in Pahang. Production, which averaged about 1,400 tons in the years 1934–6, and declined steadily up to the outbreak of war, owing to the exhaustion of the Kramat Pulai deposit, being only 56 tons in 1940, has been even lower since the war ; 18 tons were produced in 1951, 24 tons in 1952 and 30 tons in 1953. *Wolframite* has been mined in Kedah, Trengganu and Pahang, as well as on a small scale in other States. It has also been produced as a by-product in tin mining. Output, which averaged 915 tons in 1933–37, and was 314 tons in 1939, has been very small since the war, being 28 tons in 1949, 13 tons in 1950, 28 tons in 1951, 44 tons in 1952 and 99 tons in 1953. The sharp variations in the price of wolfram have tended to discourage investment in its production.

Iron ore was mined by Japanese companies before the war in Kelantan, Trengganu and Johore, all the ore produced being exported to Japan. Later, haematite was mined at Tambun near Ipoh in Perak, and has been used for "jig ragging" on the tin dredges. Mining, except for small quantities at Tambun, stopped at the outbreak of war, some of the deposits having been exhausted, but was resumed at the end of 1949 at Bukit Besi in Trengganu. Production, which was 1,616,000 tons in 1938, 1,942,000 tons in 1939 and 1,962,000 tons in 1940, was resumed in 1950 with an output of 499,000 tons. Production in 1952 was 1,055,000 tons and in 1953 1,087,000 tons. The main market for the ore is still Japan. The development of iron ore deposits at Rompin in Pahang is planned, and it is hoped to produce 2,000,000 tons of iron ore per year from 1957.

Manganese ores were exploited before the war by Japanese companies in Kelantan and Trengganu, production in the years immediately prior to the war being a little over 30,000 tons per annum, all exported to Japan. There has been no production since the war, but prospecting has been resumed.

Bauxite mining by Japanese companies commenced in 1936 in four localities in Johore. Later a mine was also operated in Malacca. Maximum output was reached in 1939 with a production of 92,000 tons. Since the war a large deposit has been proved at Pengerang in Johore, and there are known to be other deposits in many other parts of that State. Mining leases had been issued and production was resumed in 1952 with 21,796 tons. Output in 1953 was 152,170 tons.

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* "Report upon the Mining Industry of Malaya" (Kuala Lumpur, Government Press, 1939).

Ilmenite (iron-titanium oxide) is the chief constituent of "amang", the heavy-mineral association left by tin mines after the tin concentrates have been extracted. Its value was only gradually recognised as a result of the growing use of titanium oxide in paints. The first considerable exports of ilmenite were in 1935.

The following table shows ilmenite exports from Malaya in certain recent years :—

EXPORTS OF ILMENITE FROM MALAYA

Year	*Quantity (tons)*
1938	6,462
1939	11,098
1947	13,081
1948	13,566
1949	19,718
1950	24,915
1951	43,493
1952	21,698
1953	26,570

Columbite is the principal ore of niobium, a metal now in great demand for stabilising nickel-chrome steels for use at high temperature, especially in turbo-jet engines. Small but increasing quantities of columbite have lately been produced as a by-product of alluvial tin mining, chiefly in Kedah. Recorded output has been, 1942–45, 5 tons; 1950, 8 tons; 1951, 25 tons; 1952, 47 tons; 1953, 52 tons.

Monazite and Zircon occur in association with alluvial tin-ore in certain localities in the Federation and an appreciable quantity of these minerals is likely to be separated in future years.

Kaolin, or China Clay, is produced at Tapah in Perak and Cheras in Selangor, and is used as a filler in the manufacture of rubber articles. Other large deposits exist in Perak, but local demand is insufficient to encourage any substantial increase in production. Peak production was reached in 1938 with an output of 1,153 tons, valued at $28,825, but normal pre-war production was less than 500 tons. Output has been generally higher since the war, being 1,435 tons in 1950, 1,719 tons in 1951, 1,128 tons in 1952 and 1,241 tons in 1953. Almost the whole of production is used locally, but there is a small export to Thailand amounting to about 474 tons in 1950, 195 tons in 1951, 261 tons in 1952 and 98 tons in 1953.

Manufacturing Industries

Much of the industry in the Federation consists in the initial processing of locally produced raw materials—and, in the case of the Penang tin smelter (see above, p. 27) of imported raw materials. Thus there are factories for the manufacture of palm oil, coconut oil, various kinds of rubber sheet, and so on. Much of the Federation's raw material output is, however, sent to Singapore for initial processing.

There are a fair number of manufacturing establishments in the Federation, most of them on a very small scale, many being family concerns. Manufactured products include various kinds of ships and small boats, industrial gases, wire and wire netting, pottery, bricks, aerated waters, various kinds of foodstuff, furniture, rubber articles (including rubber shoes), soap and matches. The main centres of industry are around the Klang-Kuala Lumpur district of Selangor and in Penang. There are also industries specially located to serve some particular agricultural industry, such as a factory producing tin cans mainly for the pineapple industry at Johore Bahru.

There were 69 factories producing aerated waters in 1953, and output included 7,000,000 bottles of soda water, 119,000,000 bottles of sweet and special varieties and 290,000 bottles of cordials. Tobacco products are made by over 100 factories, annual output including about 3,000,000 pounds of cigarettes, over 2,000,000 pounds of cigars and cheroots and over 2,000,000 pounds of prepared tobacco. Most of the tobacco used is local. The industry employs about 3,000 persons.

Soap is produced by about 40 factories, including a large, modern soap and vegetable oils factory recently constructed at Kuala Lumpur. Output in 1953 was 10,735 tons. There were 18 biscuit factories operating in the Federation in 1953, with an output of 2,800 tons. A wide variety of rubber articles are manufactured. Output in 1953 included 17,000,000 lb. of rubber sheeting and matting, 155,000 lb. of rubber tubing and hose, 126,000 tyres and 707,000 tubes for bicycles and tricycles, 15,000,000 lb. of rubber compound and 12,000 buckets wholly or mainly of rubber. Output of footwear in 1953 included 56,000,000 pairs of rubber-soled canvas shoes, 253,000 pairs of jungle boots, 18,000,000 pairs of slippers, 89,000 pairs of rubber soles and heels and 14,000,000 pairs of other footwear.

There were 259 sawmills in the Federation at the end of 1953, of which 60 were in Perak, 43 in Selangor, 28 in Johore, 27 in Negri Sembilan and 24 in Pahang. Out-turn of sawn timber in 1953 was 376,600 tons of 50 cu. ft.

POPULATION BY INDUSTRY, 1947

Class of Manufacture	*Persons Engaged*
Bricks, tiles, pottery	2,003
Asbestos and concrete products	62
Glass and glassware	131
Lime, plaster, etc.	165
Soap, toilet preparations, etc.	551
Matches, fireworks	537
Other chemical industry	305
Tin smelting	394
Iron and steel foundries	2,307
Other metal foundries ; tin etc., smithing	2,500
Forge work ; blacksmithing	2,215
Mixed engineering	1,870
Wiring, installing and repair work	1,223
Construction and repair of vehicles :—	
Railway rolling stock	2,983
Bicycles ; motor vehicles, bodies, etc.	8,420
Boat and ship building and repairing ; marine engineering	1,446
Electro plating, etc.	52
Tin boxes and containers	358
Other sheet metal working	81
Other metal industries (n.e.s.)	232
Gold and silver smithing	7,618
Repair of watches and clocks	1,115
Other precious metals, jewelry, etc.	107
Weaving	3,227
Rope, twine, nets, etc.	765
Dyeing, bleaching	129
Other textile manufacture	201
Tanning and leather dressing	179
Bags, trunks, etc.	68
Tailoring and millinery	10,888
Boots, shoes and clogs	3,402
Other clothing	273
Rice, sago, tapioca milling	2,563
Biscuits and noodles	1,898
Bread and flour confectionery	4,844
Sugar and sugar confectionery	4,692
Oil mills, etc.	2,319
Ice	386
Fish curing	1,365
Pineapple canning	53
Pickles, spices, etc.	642
Other food manufacture	1,926
Brewing and distilling	281
Mineral waters, etc.	862
Tobacco, cigars, etc.	2,791
Sawmills and joinery works (n.e.s.)	7,921
Wooden boxes, coffins	352
Basket and rotan ware ; attaps	21,010
Furniture making and upholstering	3,417
General and jobbing carpentry	8,173
Other woodworking	689
Paper and cardboard goods ; stationery	305
Production of newspapers, etc.	688
Printing and bookbinding	2,035
Photography	1,150
Building, plumbing, etc.	12,864
Decorating	594
Rubber milling, packing, etc.	4,328
Rubber goods manufacture	2,334
Charcoal making	1,219
Other	1,127
Total	148,635

The production of bricks in 1953 was over 28 million. Output of the coconut oil, palm oil, rubber sheet, metallic tin, and other processing industries is shown in the sections relating to the production of the raw materials concerned.

A cement works was opened near Batu Arang in 1953, using local coal and near-by limestone. The factory is a joint enterprise of Malayan Collieries and Associated Portland Cement Manufacturers, and its capacity is planned at 100,000 tons per annum.

The table on page 29 showing the numbers occupied in various industries at the time of the 1947 census, gives some rough indication of the relative importance of the industries concerned. No later figures are available showing the numbers engaged in manufacturing industries, but it is probable that the numbers and relative proportions have not changed greatly since that date.

Other Economic Activities

Distributive Trade

The distribution of imported goods is carried on to a large extent by a few important European firms, mainly centred on Singapore, which also have interests in the main industries of the country such as rubber. There are also numerous Chinese trading firms, most of them operating on rather a smaller scale. Internal trade in local products is carried on through a multitude of small dealers, most of them Chinese, and many of whom also finance the production of the commodities in question. It is generally believed that the internal distribution system of the Federation is inefficient, and that there is an excessive margin between prices paid to producers and those paid by consumers. Too little is, however, known with any accuracy about the organisation and costs of distribution to make any firm judgment possible. It may, however, be significant that the co-operation movement (see below) has until very recently made very little headway in the field of distribution, and it is probable that the position of the present trading community is very strongly entrenched.

There is also an important entrepôt trade at Penang (see below, page 41).

Professions

The following table shows the numbers engaged in the main professions in 1947:—

PROFESSIONAL OCCUPATIONS, 1947 (Census)

Priests, monks, etc:—	
Christian	301
Others	2,794
Judges, magistrates, lawyers	196
Physicians and surgeons	530
Dentists	633
Midwives, nurses, etc.	1,707
Ancillary medical personnel	9,083
Teachers	17,131
Civil engineers, surveyors and architects	853
Electrical, mechanical, etc., engineers	529
Accountants (qualified)	197
Authors, journalists, publicists, etc.	205
Artists, advertising artists	239
Other professional occupations	446
Total	34,844

Labour

The Federation's employed labour force numbered about half a million in 1953. Of these, 57·6 per cent were employed on rubber estates (55 per cent on estates over 100 acres and 2·6 per cent on smallholdings), 13·2 per cent by Government and 8 per cent in tin mining and dredging. The table below shows the numbers employed in June, 1952, analysed by race. As the table shows, the largest group of workers are Indians (mainly from South India) most of whom are employed in the rubber industry. Before the First World War, Indians were brought to Malaya under indenture for work on the rubber estates. After the end of the indenture system in 1910, Indians continued to immigrate into Malaya for such work until the emigration of unskilled workers from India to Malaya was prohibited by the Government of India in 1938. The main body of workers on rubber estates has, however, continued to be Indian. This group probably suffered more than any other economic group during the war and the Japanese occupation, since the collapse of the rubber industry left them almost entirely without resources or alternative employment. However, since the war, the Indians have returned to the rubber industry, and their conditions notably improved, especially during the period of high rubber prices from 1950 to 1952. The Indians are also the largest group in Government employment.

The Chinese are the main body of workers in the mining industry, and especially in the Chinese owned tin mines, almost all of whose workers are Chinese. There

NUMBERS OF WAGE-EARNERS, JUNE, 1952

	Number of places of employment	*Malaysians*	*Indians*	*Chinese*	*Others*	*Total*
Estates						
Rubber (100 acres and over)	2,268	56,753	137,536	81,976	1,083	277,348
Rubber (under 100 acres)	1,803	5,269	1,388	6,334	25	13,016
Coconut	94	775	9,057	277	—	10,109
Oil Palm	42	1,814	7,817	3,451	—	13,082
Tea	24	397	2,145	806	332	3,680
Mines						
Tin Dredging	71	4,348	3,347	7,381	156	15,237
Tin Mines (European)	24	1,783	1,294	3,847	39	6,963
Tin Mines (Chinese)	533	448	788	16,867	43	18,146
Mines other than Tin	4	1,672	1,335	1,944	16	4,967
Miscellaneous						
Bus Companies	109	1,526	905	3,687	1	6.119
Other undertakings employing 10 persons and over	1,363	9,454	8,722	36,275	497	54,948
Other undertakings employing less than 10 persons	3,629	1,127	1,209	7,383	50	9,769
Armed Forces—Civilian Employees	—	1,237	1,281	1,204	60	3,782
Government	—	23,087	27,905	13,882	1,192	66,720
Total	—	110,424	204,729	185,319	3,494	503,886

The figures for estate labour exclude approximately 1,000 mandores and kapalas for whom statistics by race are not available. These figures are known to be incomplete, but sufficient information to make estimates of the correct totals is not available.

are also numbers of Chinese employed on the rubber estates. On the other hand, only about 7 per cent of Chinese workers are in Government employment, as compared with 14 per cent of Indian workers and 21 per cent of Malaysian workers in such occupations.

The Malays are, in the main, recent recruits to the labour market. The greater number of them are still peasants, and they have shown little willingness in the past to sacrifice their independence and become wage-labourers. Although increasing numbers are now entering the labour market, these still form only a small proportion of the total Malayan population. In 1952, only 4 per cent of the Malaysians in the Federation were wage-earners, as compared with 9 per cent of the Chinese and 33 per cent of Indians and Pakistanis.

Women formed 33 per cent of Indian, 30 per cent of Chinese, and 25 per cent of Malaysian wage-earners in 1952. Persons under 16 accounted for 6 per cent of the Indian, 4 per cent of the Chinese and 4 per cent of the Malaysian wage-earners.

During most of the post-war period, there has been little unemployment in the Federation, and in certain areas—especially those most affected by the emergency—there has been a labour shortage. However, with the collapse of the rubber and tin boom in 1952 and 1953, a certain amount of unemployment appeared, especially in the tin-mining industry. Employment in tin-mining fell from 44,659 at the end of 1952 to 37,515 during June 1953, and there were many indications during 1953 of a general increase in unemployment in other industries. Those most affected were industries depending for their markets on the tin and rubber industries, and included saw-mills, foundries, and some consumer goods industries. Although no total unemployment figures are available, it was estimated in the latter part of 1953 that 16,500 persons were unemployed in the new villages, mainly in the tin-mining areas of Perak. There was little unemployment in the rubber industry, mainly because of the willingness of many rubber workers to accept wage reductions rather than lose their employment.

Wage-rates rose to a peak in 1951, but fell during the period 1951–53. Owing to the wide diversity of conditions as between large and small estates, dredges and other types of tin mines, and other industries, it is not possible to give any meaningful statistics of average wage rates. The following table shows, however, wages in certain typical occupations in September, 1953 :—

WAGE-RATES AND EARNINGS IN SOME TYPICAL OCCUPATIONS, SEPTEMBER, 1953

Occupation	*Race*	*Average Rate of Pay (per Day)*			*Average Hours Worked (per Month)*			*Average Gross Cash Earnings (per Month)*		
		Men	*Women*	*Young Persons**	*Men*	*Women*	*Young Persons**	*Men*	*Women*	*Young Persons**
Rubber Estates (over 500 acres) :—		$ C.	$ C.	$ C.				$ C.	$ C.	$ C.
Tapping (Daily Rates) ..	Malaysians	2 12	2 07	2 00	195	194	105	58 07	58 15	44 00
	Indians	2 22	1 98	1 86	168½	166½	175	61 39	54 44	50 21
Tapping (Piece Rates) ..	Malaysians	—	—	—	160½	170½	165½	56 76	60 60	49 60
	Chinese	—	—	—	165	167½	169	70 91	70 83	69 84
	Indians	—	—	—	184½	168½	173	68 54	60 78	58 48
Weeding (Daily Rates) ..	Malaysians	2 13	1 63	1 32	182	181½	186½	52 15	39 76	33 07
	Indians	2 14	1 74	1 23	192	184	183	55 36	43 04	30 19
Foremen (Daily Rates) ..	All Races	3 22	—	—	217½	—	—	94 45	—	—
All Workers (Average) ..	—	—	—	—	184½	173½	181½	67 60	58 96	47 60
Oil Palm Cultivation (Average)	—	—	—	—	190	164	177	81 47	46 96	29 52
Tin Mining :—										
Dredging Companies—General Labourers ..	—	2 39	2 32	—	242	229	—	95 73	89 80	—
Chinese Tin Mines—All Workers	—	—	—	—	240	249	—	96 03	70 71	—
Road Transport Drivers (Daily Paid)	—	4 70	—	—	248	—	—	192 00	—	—

Fuel and Power (including water supplies)

There has been a very considerable expansion of *electricity* supplies in the Federation since the war. In 1946, steam and diesel plants with a combined capacity of 180,000 kW. generated 57 million units; in 1953, plants with a capacity of 750,100 kW. generated about 250 million units. This expansion is being continued. The following is a description of the main power stations in operation in 1953 with their capacity :—

MAIN ELECTRIC POWER STATIONS, 1953

Location	*Capacity '000 kW.*	*Motive Power*	*Fuel*	*Owned by*
Bungsar (Kuala Lumpur)	26·5	Steam Turbine	Oil	Central Electricity Board
Ulu Langat (Selangor)	2·288	Hydro Electric	Water	do.
Prai	15·0	Steam Turbine	Oil	Penang Municipality
Chenderoh	27·0	Hydro Electric	Water	Perak River Hydro Electric Power Co.
Malim Nawar	30·0	Steam Turbine	Coal and Oil	do.
Batu Gajah	19·95	Steam Turbine	Coal	do.
Connaught Bridge	40·0*	Steam Turbine	Coal and Oil	Central Electricity Board

* 80,000 kW. when completed.

OWNERSHIP OF POWER STATIONS, 1952

Owned by	*Steam Turbine* '000 *kW.*	*Hydro Electric* '000 *kW.*	*Diesel* '000 *kW.*	*Remarks*
Central Electricity Board	26·50*	2·288	13·1066	—
Perak River Hydro Electric Power Co. ..	49·95	27·000	—	—
Kinta Electrical Distribution Co. Ltd. ..	—	—	·8375	—
Huttenbachs, Limited	—	—	2·6200	—
Penang Municipality	15·00	—	—	—
Others	—	—	·2465	Small licensed public supplies
Total	91·45	29·288	16·8106	

* Not including 40,000 kW. capacity of Connaught Bridge made available in 1953.

There were also in 1952 about 71 smaller power stations in the country equipped with oil engine generating plant. The total power capacity of all stations in 1952 is shown in the above table. Most of the power available is on a 400/230 volt 3-phase supply.

A Central Electricity Board was set up in 1949 to take over Government owned electricity undertakings and with general responsibilities for co-ordinating electric power supplies in the Federation. The main plant under construction for the Board is an 80,000 kW. steam turbine plant at Connaught Bridge on the Klang River. Seven million pounds for the scheme is being borrowed from the Colonial Development Corporation, 4·7 million having been borrowed by the end of 1953 and the first half of the plant—i.e., 40,000 kW. was opened in 1953. The major long-term plan of the Board is the construction of a hydro-electric plant in the Cameron Highlands and of a grid system for the Federation. This scheme is planned to cost $150 million and consideration is being given to ways of financing it. The initial stages of the grid scheme are in operation.

Nearly three-quarters of electric power produced in the Federation is used in the tin mines. The following table shows the amount of power consumed by various users in the year 1953:—

CONSUMPTION OF ELECTRIC POWER, 1953

Purpose	*Amount Consumed (thousand (Units)*	*Percentage of Total Consumption*
(1) Tin mining :—		
Dredging	203,399	30·6
Opencast	233,576	35·2
Underground	14,558	2·2
Total tin mining ..	451,533	68·0
(2) Iron mining	2,804	0·4
(3) Coal mining	16,056	2·4
(4) Gold mining	5,231	0·8
(5) Industrial and commercial	79,447	12·0
(6) Lighting and domestic ..	108,875	16·4
Total	663,946	100·0

Output of electric power in the Federation in 1953 is shown in the following table :—

ELECTRICITY GENERATED 1953
('000 Units)

	By Public Utilities	*By Industrial and Mining Installations*	*Total*
Steam	412,218*	30,507	442,725
Diesel	47,174	35,205	82,379
Hydro-electric ..	219,284	35,405	254,689
Total ..	678,676	101,117	779,793

* Including 8,919,868 units purchased from Singapore for sale in Johore Bahru.

Shortages of electric power have held up mining and industrial expansion in the Federation, but supply is now beginning to catch up with demand. A growing proportion of the source of electric power is being derived from imported fuel, since the inadequacy of local coal supplies (see above) has encouraged a move from coal to oil burning in steam turbine plants.

Water supplies (except for irrigation purposes) are operated by the Federation's Public Works Department, except for two municipal systems in Malacca and Georgetown. In 1953 there were 119 water supply systems under the Department's control, with a total normal operating capacity of 57·8 million gallons per day. The installations vary in efficiency, but in the larger towns at least the supply is of reasonable quantity and quality.

Co-operative Movement

The Co-operative movement has been established in the Federation since the early 1920's, but outside a fairly narrow field of activities it has until recently made little headway. The most successful societies have been thrift and loan societies for urban salary earners, which provide an easy form of thrift since payments into them are frequently deducted at source.

Rural credit societies with unlimited liability of the Raiffeisen type have been growing rapidly in importance during the past few years among Malay peasants, especially in Perlis and other west coast States. There is a strong Federation of Rural Co-operative Societies in Perlis which is in partnership with the Federal Government in running a rice mill, and to which 136 societies were affiliated in 1953.

Consumers' societies have not in the past proved very successful in the Federation. Difficulties have been experienced in obtaining accommodation, and the co-operatives have also suffered from not being able to provide credit to the same extent as the Chinese store-keepers. However, in 1951 and 1952 there was a considerable expansion of consumer's co-operatives, particularly on rubber estates in the north of the Federation, and at the end of 1953 there were 217 consumers' societies operating in the Federation.

Help has been given to certain Co-operative societies by the Rural and Industrial Development Authority (see below, p. 42). During 1951, loans to Co-operative Societies approved by the R.I.D.A. amounted to over $300,000, of which $200,000 was to the Perlis Federation.

The number of Co-operative Societies in operation at the end of 1953 totalled 1,663. The table following gives details of societies operating in the Federation at the end of 1952.

CO-OPERATIVE SOCIETIES, 1952

Type of Society	*No. of Societies*	*Membership*	*Share/ Sub-scription Capital* (\$'000)	*Reserve Fund* (\$'000)	*Loans granted during* 1952 (\$'000)	*Loans out-standing at end of* 1952 (\$'000)	*Deposits* (\$'000)	*Working Capital* (\$'000)
Rural Co-operative Credit	500	20,949	533·1	38·5	1,227·9	701·7	116·0	687·6
Seasonal Co-operative Credit	67	1,426	33·3	1·5	44·7	54·1	3·9	38·7
Fishermen's Co-operative Credit	5	298	5·5	·4	19·5	14·1	0·2	6·1
Labourers' Co-operative Credit	375	33,549	2,488·3	43·8	441·1	295·7	14·8	2,546·8
Unions of Labourers Co-operative Credit Societies	7	32(socs.)	12·8	—	—	—	—	12·8
Thrift and Loan	101	40,640	13,100·9	751·7	6,563·0	11,141·7	1,149·8	15,002·3
Malayan Co-operative Wholesale	1	41(socs.)	8·4	1·4	—	—	—	9·8
Stores	155	58,169	1,315·9	17·6	—	—	—	1,333·5
Shops	75	9,484	228·3	·9	—	—	0·9	230·0
Oil Mills	2	315	14·0	—	—	—	—	14·0
Rubber Marketing	23	1,283	61·0	0·1	—	—	2·0	63·2
Fishing and Marketing	15	1,267	93·7	—	1·4	0·7	0·3	94·0
Farming	4	107	7·7	—	—	—	—	7·7
Thrift and Loan Unions	3	33(socs.)	21·7	—	—	—	—	21·7
Banking Unions	8	261(socs.)	32·6	—	604·4	315·8	6·9	39·5
Housing	9	1,362	370·6	—	—	—	216·3	586·8
Thrift and Investment	15	1,027	—	0·2	—	—	42·5	42·8
General Purposes	119	22,450	—	31·6	—	—	53·7	85·3
Fair	2	436	10·1	1·0	—	—	8·3	19·4
Cattle Breeding	8	449	14·8	0·6	—	—	0·1	15·5
Rice Mill	58	6,544	319·2	1·6	—	—	3·7	324·5
Federation of Rural Co-operative Credit Societies	1	125(socs.)	151·1	—	534·9	81·2	6·4	157·5
Federation of Women's Thrift and Investment Societies	1	7(socs.)	7·0	—	—	—	—	7·0
Co-operative Settlement	1	83	2·8	—	—	—	3·5	6·3
Transport Society	1	393	27·8	—	—	—	1·6	29·5
Trishaw Pedallers	1	43	4·0	—	—	—	—	4·1
Electricity Supply	1	85	41·0	—	—	—	—	41·0
Land Purchase	4	225	8·0	—	—	—	2·1	10·1
Milling Union	1	7(socs.)	5·4	—	—	—	—	5·4
Others	4	311	1·3	—	—	—	—	1·3
Total	1,567	200,895	18,920·3	890·9	9,436·9	12,605·0	1,633·0	21,444·2

III. FINANCE AND TRADE

Public Finance

Federal Government

Because of the change in political boundaries since the war, no meaningful continuous series of figures for Federal revenue and expenditure can be given for the period before and immediately after the war. The following table shows revenue and expenditure of the Malayan Union for 1946 and 1947 and the Federation of Malaya for the years since 1948 :—

FEDERAL REVENUE AND EXPENDITURE

(\$'000)

Year	*Revenue*	*Federal Services Expenditure*	*Allocations to States*	*Total Expenditure*
1946*	129,707	—	—	222,807
1947	268,661	—	—	285,553
1948	235,454	—	—	290,831
1949	345,192	265,690	81,653	347,343
1950	443,368	268,994	71,010	340,004
1951	735,452	449,119	99,623	548,742
1952	725,076	540,629	131,506	672,135
1953	620,220	640,014	150,363	790,376

* April–December.

FEDERAL REVENUE AND EXPENDITURE (1952–54)

	1952 (*Actual*)		1953 (*Actual*)		1954 (*Estimate*)	
	$'000	%	$'000	%	$'000	%
Revenue						
Export Duties :—						
Rubber*	110,778	15·3	54,682	8·8	48,300	8·0
Tin and tin-in-ore	69,572	9·6	51,257	8·3	37,500	6·2
Other Export Duties	5,627	0·8	6,241	1·0	5,375	0·9
Import Duties	203,945	28·1	198,356	32·0	212,455	35·2
Other Customs Duties†	7,502	1·0	—	—	1,700	0·3
Excise Duties	8,353	1·2	6,742	1·1	6,485	1·1
Income Tax	222,193	30·6	158,419	25·5	110,000	18·2
Licences and other Internal Revenue	29,624	4·1	38,189	6·2	39,210	6·5
Fees of Court or Office, etc.	12,654	1·7	12,452	2·0	10,714	1·8
Posts and Telecommunications	25,367	3·5	27,797	4·5	29,650	4·9
Revenue from Government Property	14,177	2·0	12,452	2·0	8,723	1·4
Miscellaneous§	11,140	1·5	48,819	7·9	83,116	13·8
Total Local Revenue	720,932	99·4	615,300	99·2	593,228	98·3
Colonial Development and Welfare Fund	4,144	0·6	4,920	0·8	10,409	1·7
Total Revenue	725,076	100·0	620,220	100·0	603,637	100·0
Expenditure						
Public Debt Charges	19,070	2·8	23,094	2·9	24,840	3·0
Pensions and Gratuities	23,506	3·5	29,558	3·7	25,132	3·0
Administration‡	47,160	7·0	92,337	11·7	107,434	13·0
Agriculture	3,316	0·5	3,397	0·4	2,428	0·3
Fisheries	722	0·1	664	0·1	2,756	0·3
Forestry	1,642	0·2	1,532	0·2	1,503	0·2
Drainage and Irrigation	1,186	0·2	1,000	0·1	1,540	0·2
Mines and Geological Survey	2,763	0·4	1,795	0·2	2,766	0·3
Education	14,291	2·1	12,419	1·7	16,179	2·0
Medical and Health	13,390	2·0	14,254	1·8	18,153	2·2
Social Welfare	3,075	0·5	3,669	0·5	3,429	0·4
Police	170,795	25·4	171,795	21·7	46,916	5·7
Military and Defence	31,351	4·7	40,299	5·1	40,904	4·9
Prisons	4,195	0·6	4,246	0·5	4,704	0·6
Emergency Detention Camps	6,432	1·0	3,792	0·5	—	—
Squatter Resettlement	34,099	5·1	25,420	3·2	14,458	1·8
Public Works : Department and Annually Recurrent	17,975	2·7	23,040	2·9	22,555	2·7
Public Works Non-Recurrent	39,910	5·9	51,896	6·6	66,029	8·0
Posts and Telecommunications	28,124	4·2	36,330	4·6	33,705	4·1
Miscellaneous	77,627	11·5	99,490	12·6	211 941	25·7
Total Federal Expenditure	540,629	80·4	640,027	81·0	647,372	78·4
Allocations to States and Settlements	131,506	19·6	150,363	19·0	178,722	21·6
Grand Total Expenditure	672,135	100·0	790,390	100·0	826,094	100·0

* Excluding cess payable to the Malayan Rubber Fund, amounting to $4·9m. in 1952, nil in 1953 and nil in 1954.

† Including cesses on tin and rubber (nil for 1953 and 1954).

‡ Including the High Commissioner, Audit, Legislative Council, Civil Service, Malayan Establishment Office, Printing, Treasury, Statistics, Supplies, Information and Registration.

§ Including Grant ($17·1 million) and Interest Free Loan ($21·4 million) from Her Majesty's Government towards War Damage Fund in 1953 and $72·3 million Interest Free Loan from Her Majesty's Government for same purpose in 1954.

As the foregoing table shows, export duties amounted to 18·0 per cent, import duties to 32·0 per cent, and income tax to 27.0 per cent of revenue in 1953. The largest individual item was import duty. A large proportion of expenditure results from the emergency—probably over a quarter of expenditure in 1953 being directly or indirectly attributable to this factor. The other main item in Federal expenditure is grants to the States to meet their deficits, such grants amounting to 19·0 per cent of Federal expenditure in 1953.

The Federation has undergone various financial difficulties since the war, first, because of the need for reconstruction, secondly, because of the sharp fluctuations in revenue resulting from variations in rubber and tin prices, and thirdly, because of the continuing demands of the emergency. Until 1950 there was a steady excess of expenditure over ordinary revenue, a condition which was changed in 1950 and 1951 as a result of the sharp rise in rubber prices during those years. In 1951 there was a surplus of nearly $200 million, and in 1952, of about $50 million. By 1953, however, the Federation was again faced by a deficit.

The United Kingdom Government has given assistance to the Federation of Malaya towards the costs of reconstruction and the emergency. A grant of £20 million and an interest-free loan of £18·5 million if required were promised towards the cost of war damage compensation in Malaya (including Singapore). The whole of the grant had been paid over to the Malayan War Damage Fund by November, 1953 and the Governments concerned then began to draw on the interest-free loan. The total of the War Damage Fund (including contributions from various other sources) is estimated at about £50 million, and the sum available is divided up among various kinds of claim as follows :—

WAR DAMAGE FUNDS

Class of Claim	*Total Allocation*	*Payments Made up to the end of September*, 1953
	£ Million	*£ Million*
Tin mining	9·9	7·6
Rubber planting	9·9	7·5
Private chattels	5·8	3·4
Other claims	25·1	13·0
Total	50·7	31·5

In 1949 and 1950 the United Kingdom Government made grants of £5 million and £3 million respectively towards the cost of internal security measures. The additional cost of maintaining troops from overseas in Malaya has been borne by the United Kingdom throughout the period of the Emergency. A grant of £395,000 has also been made towards the cost of equipping the 5th and 6th battalions of the Malay Regiment, and in addition Her Majesty's Government have undertaken to ask Parliament to vote the funds necessary to meet the capital cost of certain buildings and equipment, up to £7·29 million, in connection with the expansion of the Federation of Malaya's Armed Forces. Her Majesty's Government also gave to the Federation in 1954 a grant of £6 million towards the cost of the emergency. As regards future years, should the emergency continue, Her Majesty's Government will be prepared to consider the matter well before the beginning of the Federation's financial year in question, in the same light.

Capital investment by the Colonial Development Corporation sanctioned up to the end of March, 1953 in the two Malayan territories (Federation of Malaya and Singapore) amounted to £10·5 million of which almost £5 million had actually been advanced to the Corporation by that date. A large proportion of the capital investment sanctioned—£7·1 million—relates to the Central Electricity Board's power station at Connaught Bridge in the Federation of Malaya (see above, p. 32).

The Federation of Malaya is eligible for grants and loans under the Colonial Development and Welfare Act and shares with Singapore the Malayan territorial allocation of £5 million. In addition she is, like Singapore, entitled to grants from Central Colonial Development and Welfare Funds in respect of approved schemes.

ASSETS AND LIABILITIES ON THE 31ST DECEMBER, 1953 ($'000)

Liabilities		
Loan Account:		
Unexpended Balances—		
Malayan Union, 1946	223	
Federation, 1949	10,159	
		10,381
Joint Colonial Fund		96,922
Premium Bonds		1,104
Treasury Bills		87,991
Treasury Deposits (Ordinance 66/52) ..		49,100
Deposits:		
Custodian of Enemy Property	37,974	
States and Settlements	19,043	
Others	16,402	
		73,420
Sundry Funds:		
Rubber Industry Replanting Fund ..	5,136	
State and Settlement Treasurers ..	1,480	
Others	2,927	
		9,542
Sundry Accounts:		
War Office	4,363	
Others	6,839	
		11,202
Due to other Administration		25,594
General Revenue Balance		355,543
		627,881

Assets		
Cash:		
Treasuries and Banks	58,280	
Joint Colonial Fund	2,143	
Agencies	57	
Transit	3,542	
Fixed Deposits	129	
		64,050
Impresets		429
Investments:		
General Revenue Balance (excluding C.E.B.)	259,951	
Central Electricity Board	38,319	
Specific Funds and Sundries	5,857	
		304,127
Advances:		
Due by other Administration	7,107	
Loan Works	49,348	
Unallocated Stores	25,589	
Food Supplies	98,913	
War Damage Commission	44,074	
States and Settlements	10,696	
Others	10,034	
		245,762
Loans:		
Rehabilitation Loans, Tin Mines ..	3,522	
Rehabilitation Loans, Municipalities..	7,236	
States and Settlements	745	
Others	2,008	
		13,513
		627,881

The above statement does not include the Government of the Federation of Malaya's share (estimated to be $26,000,000) of the Surplus Funds of the former Straits Settlements Government.

FEDERATION OF MALAYA PUBLIC DEBT, END 1953

Issue	*Final Maturity*	*Outstanding* ($'000)
1931 F.M.S. Local Loan .. 4½%	1959	16,000
1935 F.M.S. Sterling Loan 3%	1970	34,286
1936 F.M.S. Local Loan .. 3%	1966	15,000
1940 F.M.S. Local War Loan 3%	1959	20,000
1941 F.M.S. Local War Loan 3%	1960	10,000
1946 M.U. Government Loan 2½%	1956	12,500
1946 M.U. Government Loan 3%	1966	54,000
1949 F. of M. Sterling Loan 3%	1976	69,000
1951 F. of M. Local Loan 3¾%	1971	24,825
1951 F. of M. Premium Bonds	—	1,106
1952 F. of M. Local Loan 5%	1972	7,500
1952 F. of M. Security Loan 5%	1972	50,000
1953 F. of M. Security Loan 5%	1972	10,000
1953 F. of M. Security Loan 4¾%	1973	40,000
Total Public Debt ..		364,217

Accumulated sinking funds at the end of 1953 totalled $82,038,888 (nominal value).

Public Debt.—The adjacent table shows the Federation's Public Debt at the end of 1953. Further loans amounting to $135,000,000 were raised in 1954, of which $60,000,000 was local loan, $40,000,000 from the Government of Brunei, and $35,000,000 in London.

The Federation Government also issues Treasury Bills and accepts Treasury Deposits. The amounts outstanding at the end of 1953 are shown in the table of Liabilities above.

Taxation.—The main taxes are export duties, import duties and income tax. The rates of export and import duty on certain main commodities in 1954 are shown in the following table. A more detailed account of customs duties in force in 1951 will be found in Appendices XXII and XXIII of " Overseas Economic Surveys; Malaya " (H.M.S.O. 1952).

PRINCIPAL EXPORT DUTIES

Commodity	*Unit*	*Duty*
Rubber:		
(*a*) When the price† of rubber does not exceed 60 cents per lb.	*ad valorem*	5%
When the price of rubber exceeds 60 cents per lb.	per lb.	$\frac{1{\cdot}55\,p-63}{10}$ cents (where *p* is the price in cents per lb.)
(*b*) When the price of rubber exceeds 60 cents per lb.	,,	*Plus* A cess for replanting calculated on the formula $\frac{0{\cdot}45\,p-27}{10}$ cents
(*c*)	,,	*Plus* 0·50 cents payable into the Malayan Rubber Fund.
Tin-Ore*:		
When the price of tin does not exceed $41 per pikul	per pikul	$2·40
When the price of tin exceeds $41 per pikul	,,	$2.40 *plus* 12 cents for every dollar by which the price of tin exceeds $41 per pikul
Tin	,,	The rate for tin-ore *plus* one third
Copra	*ad valorem*	5%
Coconut oil	,,	5%
Palm kernels	,,	5%
Arecanuts	,,	5%
Dried fish	per pikul	$1·50

* There is also an " Additional " duty on all tin-ore exported of 80 cents per pikul.
† The price is that notified for the purpose in the Federal Government Gazette.

PRINCIPAL IMPORT DUTIES

Commodity	*Unit*	*Full Duty*	*Preferential Duty*
		$ *C.*	$ *C.*
Condensed milk	per 100 lb. net weight	4 00	free
Sugar	per lb.	0 02	free
Chocolate, sweets and confectionery	,,	0 16	0 16
Malt liquors	per gallon	5 20	4 80
Brandy in bottle not exceeding 81% of proof spirit	,,	56 00	49 75
Other brandy	per proof gallon	76 00	67 25
Rum and gin in bottle not exceeding 81% of proof spirit	per gallon	37 50	37 50
Other rum and gin	per proof gallon	52 50	52 50
Rectified spirit	,, ,,	52 50	52 50
Whisky in bottle not exceeding 81% of proof spirit	per gallon	56 00	56 00
Other whisky	per proof gallon	76 00	76 00
Sparkling wines not exceeding 42% of proof spirit	per gallon	40 00	30 00
Still wines exceeding 26% but not exceeding 42% of proof spirit	,,	20 00	15 00
Still wines not exceeding 26% of proof spirit	,,	10 00	7 50
Cigars and snuff	per lb.	11 00	10 00
Cigarettes	,,	10 50	10 00
Unmanufactured tobacco	,,	7 60	7 40
Manufactured tobacco in containers for retail sale to the public	,,	10 10	10 00
Other manufactured tobacco	,,	3 50	3 50
Textiles:			
Piece goods	*ad valorem* or per yard	20% or $0 05 Whichever is the higher	10% or $0 02½ Whichever is the higher
Silk hosiery	*ad valorem*	15%	10%
Other textiles (including wearing apparel and leather shoes)	,,	20%	10%
Medicinal preparations†	*ad valorem*	25%	25%
Cosmetics and perfumery	,,	50%	25%
Cycles (complete)	each	$12 00	$9 00
Motor vehicles*	—	—	—
Motor tyres and tubes	*ad valorem*	30%	10%
Petroleum:		$ *C.*	$ *C.*
Kerosene or kerosene substitutes	per gallon	0 05	0 05
Petrol	,,	0 73	0 73
Matches	per 100 containers		
Containers with—			
(*a*) not more than 10 matches	,, ,,	0 20	0 20
(*b*) between 11 and 20 matches	,, ,,	0 40	0 40
(*c*) between 21 and 50 matches	,, ,,	1 00	1 00
(*d*) for every additional 25 or part of 25 matches over 50 a duty additional to that under (*c*) of	,, ,,	0 50	0 50
Wireless sets and musical instruments (except pianos)	*ad valorem*	20%	15%

† Excluding certain disinfectants, anti-malarial drugs, penicillin and some other drugs.
* A first registration fee of 15% *ad valorem* is charged on the value of a motor car or traction engine, unless it is of Commonwealth manufacture.

For the purpose of the above duties, Penang does not count as part of the Federation, since it is a free port (see above, page 12).

Income Tax.—Company tax is at a rate of 30 per cent. Personal income tax on non-residents is at a rate of 20 per cent of income acquired in the Federation, with a system of reliefs for British subjects or British protected persons. Personal income tax on residents is as follows:—

On the first	$500	of chargeable income ..	3%
On the next	$500	„ „ ..	4%
„ „	$500	„ „ ..	5%
„ „	$500	„ „ ..	6%
„ „	$1,000	„ „ ..	7%
„ „	$2,000	„ „ ..	8%
„ „	$2,000	„ „ ..	10%
„ „	$3,000	„ „ ..	12%
„ „	$5,000	„ „ ..	15%
„ „	$35,000	„ „ ..	20%
Anything over	$50,000	of chargeable income	30%

The following reliefs are allowed :—

Single individual	$3,000
Allowance for a wife	$2,000

$750 for the first child, $500 each for the second and third child, $300 each for the fourth and fifth child and $200 for any other child up to a miximum of nine children.

Reliefs are also given for the education of children outside Malaya, and for life insurance premiums.

Of the money raised in income tax, by far the greater amount is obtained from companies. Assessments of tax payable raised up to December 1953 for the year of assessment 1952 amounted to $183,000,000 for companies ($116,000,000 million non-resident and $68,000,000 resident), $39,000,000 for individuals, and $5,000,000 for trusts, clubs and associations, and Hindu Joint Families.

State Finances

Under the Federation of Malaya Agreement of 1948, certain items of revenue, including toddy shops, land and mining rents, entertainment duties, some licences, municipal revenues, water rates were allocated to the States. All classes of revenue not specifically mentioned in the Agreement were allocated to the Federal Government. The main item of States' revenue, however, is the grant received annually from the Federal Government to make up their deficits. This grant was estimated at 69 per cent of total States' expenditure in 1952, the proportion varying from 63·5 per cent in Johore and 63·8 per cent in Selangor to 78·4 per cent in Penang and 85·7 per cent in Perlis.

The main items of States' expenditure are on education, health and public works such as the maintenance of local roads and buildings. The table overleaf shows the States' estimated revenue and expenditure in 1952 by main classes.

Currency and Banking

The currency in circulation is the Malayan dollar, issued by the Malayan Currency Board, which is worth 2s. 4d. sterling. It is divided into 100 cents. For further information about the Malayan Currency, see Appendix 4 (page 159).

For a description of the Malayan banking system, see below, page 59.

The following tables show the volume of banking operations in the Federation during recent years :—

FEDERATION OF MALAYA: BANKING STATISTICS, 1949–53 (end of years)
($'000)

	1949	1950	1951	1952	1953
Liabilities					
Deposits :					
Demand	248,990	395.665	487,479	515,432	442,306
Time	36,736	55,198	64,898	70,412	72,581
Saving	14,047	18,420	26,674	36,699	43.903
Total Deposits	299,773	469,283	579,051	622,543	558,790
Balances due to other banks :					
In Malaya	44,085	86,114	78,933	91,905	87,636
Elsewhere	4,820	11,643	7,687	10,761	14,212
Total balances due	48,905	97,757	86,620	102,666	101,848
Other liabilities	35,220	38,007	38,040	34,233	32,917
Total liabilities	383,898	605,047	703,711	759,442	693,555
Assets					
Cash in hand	39,573	69,577	63,637	59,029	48,421
Balances due from other banks :					
In Malaya	104,322	183,256	295,659	314,644	265,560
Elsewhere	57,770	66,179	113,911	160,000	155,316
Total balances due	162,092	249,435	409,570	474,644	420,876
Loans and advances :					
Industry and Agriculture ..	64,708	122,130	56,294	22,480	86,411[*]
Other	41,740	46,717	68,828	109,551	42,860
Total loans and advances ..	106,448	168,847	125,122	132,031	129,271
Investments	54,229	63,795	62,151	59,847	63,632
Other Assets	24,801	57,647	47,353	33,891	31,355
Total Assets	387,143	609,301	707,833	759,442	693,555

[*] Primary production and other industries.

The very considerable increase in the level of bank deposits, which more than doubled between the end of 1949 and the end of 1952, reflected directly and indirectly the rise in rubber prices over that period. The rise in advances was mainly on account of the increased cost of financing exports and imports as a result of the higher level of prices.

Credit facilities for trade and large industries appear to be sufficient. The banking system was adequate to meet the exceptional strain on its resources during the immediate post-Korean period. On the other hand, credit for small peasant farmers and fishermen has in the past been almost entirely in the hands of the merchants who bought their products, and interest rates have tended to be excessive. Some attempt is being made to remedy this situation through the establishment of co-operatives and of the Rural and Industrial Development Authority (R.I.D.A.).[*] Loans are also being made to rubber small-holders for replanting out of the Rubber Replanting

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[*] See below, p. 42.

STATES' REVENUE AND EXPENDITURE, 1952 (ESTIMATES)
($'000)

	Johore	*Kedah*	*Kelantan*	*Malacca*	*Negri Sembilan*	*Pahang*	*Penang*	*Perak*	*Perlis*	*Selangor*	*Trengganu*	*Total*
Revenue												
Revenuef rom toddy shops	200	484	—	88	500	—	1,200	1,360	—	450	8	4,290
Licences for royalties on forest produce	1,400	480	220	95	640	607	9	1,500	18	550	300	5,819
Land rents	4,736	1,425	537	1,160	2,223	1,386	151	2,850	72	2,700	453	17,692
Mining rents	12	8	1	2	12	27	23	150	20	85	8	347
Other licences	928	266	231	306	367	259	391	890	49	861	99	4,646
Mineral royalties	—	—	—	65	—	76	—	10	—	97	800	1,049
Entertainments Duty	600	250	110	300	364	131	800	1,203	21	1,210	50	5,040
Recoveries from Malayan Currency Surplus Fund ..	469	355	267	214	228	152	529	850	38	647	152	3,900
Fees, etc.	1,083	406	430	242	672	295	761	1,068	49	1,022	99	6,126
Municipal revenue	2,057	625	481	—	665	545	—	2,731	59	1,021	224	8,409
Water rate and supply	1,108	209	110	17	232	212	—	1,932	16	2,191	—	6,027
Revenue from Government property	384	43	27	53	166	66	225	666	7	1,068	37	2,741
Miscellaneous	567	319	110	13	116	152	29	233	50	137	54	1,780
Total States' revenue	13,543	4,871	2,525	2,555	6,184	3,908	4,120	15,443	397	12,039	2,283	67,866
Allocations from Federal Funds	23,439	14,537	7,727	5,989	13,046	10,425	14,809	31,513	2,338	21,233	4,761	149,817
Total revenue	36,982	19,408	10,252	8,544	19,230	14,333	18,929	46,956	2,735	33,272	7,044	217,683
Expenditure												
Administration*	1,240	1,409	672	184	710	779	170	1,079	218	723	489	7,673
Agriculture	462	203	178	146	162	245	146	407	33	272	144	2,398
Drainage and Irrigation	1,194	610	456	421	431	265	593	2,548	163	1,547	259	8,488
Forestry	593	173	165	113	336	502	30	902	12	378	166	3,369
Education	8,357	3,164	2,433	3,749	4,710	3,556	8,285	12,521	598	9,315	1,339	58,025
Medical and Health	6,665	2,214	1,156	737	3,293	2,292	1,464	6,448	334	4,977	737	30,317
Public Works (Department, recurrent and non-recurrent)	9,346	4,449	2,864	981	5,771	3,059	4,522	11,915	917	10,543	1,793	56,160
District and Land Offices	2,321	490	1,191	455	805	1,398	586	2,620	142	1,565	866	12,437
Town Boards	3,190	1,236	766	1,294	1,609	1,317	1,889	5,319	118	2,024	438	19,201
Religious affairs and courts	1,539	333	118	2	178	158	—	592	90	312	224	3,544
Miscellaneous	1,998	5,089†	235	444	1,188	731	1,207	2,505	105	1,615	576	15,699
Total	36,905	19,370	10,234	8,526	19,193	14,302	18,892	46,856	2,730	33,271	7,031	217,311

* Including rulers and chiefs, British advisers and resident Commissioners, Mentri Besar and state secretariats and, in Kedah, civil service and clerical service.

† Mainly cost-of-living allowances.

Fund. Credit to small farmers is, however, so closely tied up with the internal distributive system that it may be difficult to effect major improvements in one respect without radical changes in the other.

The Federation of Malaya Savings Bank was formed in 1949, and took over and extended the activities of the old Federated Malay States Savings Bank. The following table shows savings bank statistics during recent years, and shows the very considerable increase in the level of deposits, especially between 1949 and 1951. No valid comparison is possible between the figures prior to 1948 and those after 1949, since they refer to different geographical areas.

FEDERATED MALAY STATES AND FEDERATION OF MALAYA SAVINGS BANKS STATISTICS

Year	*No. of Post Offices Transacting Savings Bank Business*	*No. of Accounts open at end of year*	*Value of Accounts* ($'000)
1938* ..	106	99,037	13,537
1939* ..	109	102,433	13,431
1940* ..	111	103,024	13,528
1946* ..	111	121,237	18,953
1947* ..	115	139,115	24,556
1948* ..	115	152,828	30,819
1949† ..	186	229,652	47,288
1950† ..	180	251,760	56,884
1951† ..	184	310,087	79,466
1952† ..	186	348,086	87,907
1953† ..	186	389,585	99,668

* Federated Malay States Savings Bank.
† Federation of Malaya Post Office Savings Bank.

Investment

Private investment in the Federation since the war has been initially concerned with the rehabilitation of the pre-war industries which had been either destroyed or severely damaged during the occupation. The following table shows a rough estimate of the level of capital formation in Malaya (including Singapore) during the years 1950–53.

CAPITAL FORMATION ESTIMATES

	1950 $ *Mill.*	1951 $ *Mill.*	1952 $ *Mill.*	1953 $ *Mill.*
Machinery and Equipment ..	108	135	179	149
Commercial Vehicles and Ships..	19	50	65	57
New Buildings and Public Works	169	228	301	297
Mines, Plantations and Livestock	20	29	26	24
Total Fixed Capital	316	442	571	527
Increases (+) or Decreases (−) in Value of Stocks	−76	−19	−18	+26

Capital formation probably absorbs rather less than 10 per cent of the national income, and its chief source is the undistributed profits of companies operating in Malaya. A considerable part is also financed out of payments for war damage claims.

It has been estimated by Dr. Benham* that about a third of the investment in Malaya during the years 1947–49 was financed from overseas. Only about a fifth was financed from domestic savings.

National Income

The following table shows estimates of the national product of Malaya for the years 1947 to 1950 adapted from figures prepared by Dr. Benham.* It should be noted that many of the items are only approximations, and some of the 1950 figures are based on little more than rough estimates.

* " The National Income of Malaya, 1947–49 " (Singapore 1951).

NATIONAL INCOME OF MALAYA, 1947–50

($ million)

	1947	1948	1949	1950
Agricultural products‡	1,327·0	1,492·1	1,321·5	2,570·9
of which				
Rubber	540·9	647·4	564·8	1,676·0
Rice	166·8	197·5	137·7	200·8
Vegetables and fruit	301·1	273·5	220·0	250·0
Coconut products*	88·7	129·8	117·6	140·0
Timber and other forest products	64·7	60·2	97·8	88·3
Fish†	92·7	96·5	119·2	186·1
Minerals	96·7	211·3	283·3	372·8
of which				
Tin	92·0	202·5	274·0	354·7
Manufactures, n.e.i.	896·4	875·9	821·1	1,160·0
of which				
Foundries, engineering, etc.	105·9	89·5	89·5	N.A.
Woodworking industries	228·7	211·9	174·0	N.A.
Rubber milling, packing, etc.	61·3	63·4	42·6	304·9
New construction, rehabilitation, etc. ..	365·0	355·0	380·0	420·0
Distribution of retained imports	536·3	420·2	300·5	361·7
Income from entrepôt trade	202·5	153·0	147·0	341·1
Free Government services	220·0	270·0	312·0	340·0
Other services	414·9	400·8	395·8	425·0
House rents	75·0	75·0	88·0	93·0
	4,291·2	4,409·9	4,266·2	6,358·9
Deductions to avoid double counting ..	780·0	830·0	840·0	940·0
Gross Domestic Product	3,511·2	3,579·9	3,426·2	5,418·9
Taxes on output	95·0	120·0	127·0	205·0
Depreciation and capital consumption ..	200·0	200·0	230·0	245·0
Net Domestic Product at factor cost ..	3,216·2	3,259·9	3,069·2	4,968·9
Interest, profits and dividends paid abroad ..	20	39	47	120·0
National Income	3,196	3,221	3,022	4,849
National Income per head ($)	549	541	498	776

† Excluding fish manure, whose value is assumed to be included in that of agricultural products.
* Including soap.
‡ Including agricultural processing industry.

(Note on above table:—A comparison of the above table with the figures in Dr. Benham's " National Income of Malaya, 1947–49 " will show some apparent discrepancies. These occur because an attempt has been made here to present as many as possible of the items making up the sub-headings as *net* values, i.e., relating the deductions for double counting to the individual items as far as practicable. For example, the figure for coconut products excludes the value of net imports of copra and of coconut oil used in soap making.)

These figures cover the whole of Malaya, including Singapore. It is not possible to give separate estimates for the Federation, but if such figures were available the proportion of the net national product accounted for by the output of rubber and other agricultural products would naturally be considerably higher than appears in this table.

The average income per head, amounting to rather more than $500 (£58) during the years 1947–49 and possibly $776 (£90) in 1950, is high by Asiatic standards, but it is subject to considerable and sudden variations, mainly resulting from changes in the price of rubber. The national income rose sharply in 1951 as a result of the higher rubber and tin prices operating during that year, and fell again in 1952 and 1953.

All these figures are averages, and take no account of the distribution of incomes. Dr. Benham estimated that, out of the net national product in 1947 of $3,216 million, $1,150 million, or 35·75 per cent, was paid in wages and salaries, $1,170 million, or 35·87 per cent, was received by " own account " workers (including unpaid family workers in agriculture), $10 million, or 0·31 per cent, was on account of other unpaid family workers, and $885 million, or 27·5 per cent accrued to profits, rents, etc. It is believed that the proportion accruing to profits rose slightly during 1948 and 1949, and that paid in wages and salaries fell slightly during the same period.

Information on the level of income of particular economic groups is scanty. A survey* among three groups of the poorer rural population in the Federation, including (*a*) peasant fishermen on the west coast, (*b*) Malay smallholders on the west coast, and (*c*) Indians employed on estates inland, showed the following distribution of incomes per month:—

DISTRIBUTION OF INCOMES AMONG THE RURAL POPULATION (1948–49)

Family Income Per Month ($)	*Fishing Community* (%)	*Small-holders* (%)	*Employed Estate Labour* (%)
0–20	3	6	—
20–40	24	6	8
40–60	35	28	15
60–80	16	24	15
80–100	6	4	26
100–150	13	12	20
150–200	—	4	13
200–250	3	6	3
250–300	—	—	—
300–350	—	4	—
350–400	—	4	—
400–450	—	—	—
450–500	—	2	—

The size of the sample from which the above figures were calculated was not, however, very large, and it is not clear how representative these income distributions are, although the authors claim that the districts chosen were fairly typical of their own type of economy.

These figures suggest that the typical income of estate labourers was higher than that of either the fishermen or peasant farmers. These conclusions are borne out by the higher standard of health and nutrition found among the former group than among the two latter by the same authors.

Standard and Cost of Living

As has been suggested above in the section on national income, the Malayan average income and hence standard of living is fairly high compared with that of other Asiatic countries. Owing, however, to the uneven distribution of incomes, certain economic groups, particularly peasants in the subsistence sector of the economy, are living on a very low standard. During the past few years the very considerable rise in the cost of living has affected large numbers of the population who did not directly benefit from the rise in the price of rubber during 1950 and 1951. Moreover, the fall in the price of rubber and hence of many incomes in the latter part of 1951 and in 1952 was not matched by any corresponding fall in the cost of living and the slight fall in the cost of living in 1953 was far less than the fall in incomes. The following table shows changes in the cost of living of certain groups during recent years:—

COST-OF-LIVING INDICES—FEDERATION OF MALAYA

Average of Year	*European* (1939 = 100)	*Malay Clerical* (1939 = 100)	*Indian, Chinese and Eurasian Clerical* (1939 = 100)	*Indian Labourers* (*January*, 1947 = 100)	*Chinese Labourers* (*January*, 1947 = 100)	*Malay Labourers* (*January*, 1949 = 100)
1947	—	—	—	99	92	—
1948	232	340	328	96	87	—
1949	234	323	315	90	82	98
1950	245	347	341	95	88	108
1951	284	425	418	128	116	136
1952	298	429	423	131	120	138
1953	295	416	409	126	116	134

Balance of Trade and Payments

Many details of the Federation's trade cannot be separated from those relating to Singapore. The whole of Malaya consists of one registration area, and a common trade report is issued for both the Federation and Singapore.† A detailed description of Malayan trade as a whole is therefore given in a separate note‡, and only a brief description of the Federation's trade, taken separately, is given in this section.

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* R. C. Burgess and Laiden Bin Alang Musa: A report on the state of health, the diet and economic conditions of groups of people in the lower income levels in Malaya (Division of Nutrition, Institute for Medical Research, Federation of Malaya, 1950).

† " Malayan Statistics—External Trade of the Registration Area of Malaya."

‡ See below, page 153.

Exports and imports of the Federation during the years 1947–53 are shown in the following table:—

FEDERATION OF MALAYA—IMPORTS AND EXPORTS, 1947–53
($'000)

Year	*Imports (c.i.f.)*			*Exports (f.o.b.)*		
	*Foreign**	*Singapore*	*Total*	*Foreign**	*Singapore*	*Total*
1947	321,462	303,051	624,513	481,366	353,384	834,750
1948	491,180	370,731	861,911	617,701	498,691	1,116,392
1949	537,067	399,375	936,442	621,711	553,746	1,175,457
1950	767,853	556,129	1,323,982	1,478,865	1,129,024	2,607,889
1951	1,143,448	725,091	1,868,539	1,976,625	1,402,402	3,379,027
1952	1,008,207	651,433	1,659,640	1,253,797	880,504	2,134,301
1953	895,020	556,341	1,451,361	920,663	677,511	1,598,174

* All countries except Singapore.

As the above table shows, the Federation had a steady favourable balance of visible trade during this period, amounting to rather more than $200 million per year during the period 1947–49, and rising to $1,284 million in 1950 and $1,514 million in 1951, but falling to $475 million in 1952, and $147 million in 1953.

The direction of the Federation's trade cannot be clearly distinguished from that of Malaya as a whole, owing to the large proportion which goes through Singapore and whose final source or destination is not stated.

The major domestic exports of the Federation, with their quantities and values in 1953, are shown in the following table:—

PRINCIPAL NET (*a*) EXPORTS OF THE FEDERATION, 1953

	Tons	*$ Million*
Rubber	573,224	870
Tin metal	35,047	220
Tin-in-concentrates	21,121	127
Palm oil	49,502	31
Palm kernels	12,613	6
Copra	4,820	3
Coconut oil	58,083	55
Pineapple (canned) (*b*) ..	17,372	19
Timber	124,171	18
Iron ore (*c*)	1,018,336	21

(*a*) I.e., gross exports *minus* imports.
(*b*) Pan-Malayan figure. All the fruit is, however, grown in the Federation.
(*c*) Gross exports.

Over a third of the Federation's trade goes through Penang. In 1953, 32 per cent of imports and 38·6 per cent of exports were through this port. This proportion includes a fair amount of entrepôt trade, which is of great importance to the economy of Penang. No figures can, however, be given of the value of this trade.

The terms of trade of the Federation have undergone rapid and extreme changes during recent years. The index of export prices (1938 = 100) had risen to 415 in 1950 and to 790 at the end of the first quarter of 1951. Thereafter it fell, reaching 410 by the end of 1952 and falling lower in 1953. The index of import prices did not undergo such sharp variations. It rose more slowly, reaching a peak of 514 at the beginning of 1952, and falling to 463 at the end of the year. During 1953, the terms of trade of the Federation were less favourable than in 1938.

IV. DEVELOPMENT

Government Activities and Plans

As a result of the war and the Japanese occupation the Federation Government's main capital expenditure in the period immediately after the war was on rehabilitation, and it was not until 1949 that an attempt was made to prepare a Development Plan. In 1949–50 a Six-Year Draft Development Plan was prepared, to cover the period 1950–55. This plan envisaged capital expenditure totalling approximately $215 million over the period, of which $28 million was to be financed from Colonial Development and Welfare funds, $127 million from loans and $59 million from Federation funds. Later, in September 1950, an enlarged version of this plan was prepared for the Colombo Plan for Co-operative Economic Development in South and South East Asia. This called for additional expenditure of $59 million over the total of the original plan.

The Plan has undergone some revisions since then in view of changing costs and the capacity of the various Departments concerned. The following table gives details of the Plan as revised up to 1953, together with details of expenditure on schemes under it during its first three years of operation.

DEVELOPMENT PROGRAMME, 1951–57

	Total cost of Schemes	*Expenditure to end 1951*	*Estimated Expenditure, 1952*	*Estimated Expenditure, 1953*
Primary Production :				
Agriculture	3,282	1,209	846	673
Fisheries	3,268	52	35	2,081
Forestry	7,148	1,343	1,069	1,421
Veterinary	1,377	82	615	527
Drainage and Irrigation	38,441	6,670	4,323	4,449
Geological Survey	1,573	6	15	1,502
Mines	901	48	75	15
Total Primary Production	55,990	9,410	6,978	10,668
Rural and Industrial Development Authority	2,991	625	617	..
Squatter Resettlement	80,000	41,000	19,000	20,000
Transport and Communications :				
Civil Aviation*	4,927	1,923	285	435
Marine	825	—	—	350
Postal	2,597	39	105	12
Railways	120,270	52,362	10.398	21,030
Telecommunications	39,724	8,762	14,148	2,587
Roads and Bridges (including road transport)	40,325	3,411	2,403	4,053
Total Transport and Communications	208,668	66,497	27,339	28,467
Electricity	221,562	22,303	11,208	14,562
Social Services :				
Education	52,510	3,230	8,779	14,224
Medical	19.313	1 819	1,370	4,403
Social Welfare	8,662	262	1,635	2,484
Co-operative Development	2	1	1	—
Information Services†	3 559	1,179	476	1,081
Housing	90,382	—	13,624	34,118
Water Supplies	53,875	3,916	6,702	8 492
Total Social Services	228,303	10,407	32,587	64,802
Grand Total	797,514	150,242	97,729	138,499

* Including meteorology for civil aviation.
† Including broadcasting and film unit.

Agriculture.—The main part of agricultural development is in fundamental research and animal husbandry investigations. Work on this has been held up through lack of staff, but there has been experimental cultivation of cocoa, hemp, soya beans and jute, as part of the programme for discovering means of diversifying Malaya's agriculture. Improved rubber planting material has been made available to smallholders, but it is hoped to finance a large part of this scheme in future from the Rubber Replanting Fund. Work has also been undertaken on the experimental mechanised planting of padi (see above, p. 17).

Fisheries.—The most important scheme in the fisheries plan is the establishment of a Commonwealth Fresh Water Fish Institute on Penang Island, to include among its main activities experimental fish farming. Work had been delayed on this because of difficulties arising from the nature of the soil, availability of water, and limitations of building capacity. A fish marketing scheme for Kelantan was also planned.

Forestry.—The greater part of planned expenditure on forestry was for the construction of forest roads, on which, however, work had to be postponed because of the emergency. Other parts of the plan include proposals for silviculture and reafforestation, a Timber Research Laboratory (the building of which had been completed by 1952), experimental pulping and fibre board plants, and a saw mill.

Drainage and Irrigation.—The plan included 59 irrigation schemes for the improvement of 300,000 acres of existing padi land and for the opening up of 100,000 acres of new land. It was also planned to rectify drainage on 300,000 acres under other crops.

Geological Survey and Mines.—The programme involves the re-organisation and expansion of Geological Survey activities. These include geological mapping and prospecting promising areas for mineral deposits. Work has been delayed by the emergency and by staff shortages, but a fair amount of mapping has been completed.

Rural and Industrial Development Authority.—A Rural and Industrial Development Authority (R.I.D.A.) was set up in 1950, for the purpose of organising and stimulating the development of the rural areas. The general functions of the R.I.D.A. have been described as follows :—*

> " (*a*) To plan and execute specific schemes for rural economic development including, in particular, those by which the producer can participate in the processing and marketing of his crop . . .
>
> (*b*) To organise the rural population generally for economic and social betterment with self-help as its mainstay . . . "

In particular it was intended to carry out the following tasks in co-operation, where appropriate, with existing government departments and with States governments :—

> " (*a*) The planning and instituting of major development projects in rural areas ;
>
> (*b*) the organisation of improved marketing and processing arrangements for rural products on a co-operative basis ;
>
> (*c*) the stimulation of interest and provision of facilities for the further development of agricultural and industrial occupations in rural areas ;
>
> (*d*) training for and encouragement of schemes for social improvement such as home craft, mother craft, hygiene, handicrafts, etc. ;
>
> (*e*) instruction in domestic and rural economic matters ;
>
> (*f*) the training of rural development officers and Kampong leaders ;
>
> (*g*) the provision of funds to carry out these purposes where these are not otherwise provided."

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* Scheme for the Reorganisation of the Rural and Industrial Development Authority, Federation of Malaya (Leg. Co. Paper, No. 10 of 1951).

The R.I.D.A. works through Development Boards set up in the various states and settlements. Among the many projects which the authority has sponsored are schemes for making tractors available to rice growers, the provision of travelling rice mills, the setting up of rubber factories for processing smallholders' rubber, the provision of improved fishing vessels and of loans to fishermen, the encouragement of local handicrafts and other industries, the improvement of rural roads, bridges and paths, the provision of small water supply systems in rural areas, technical and other training, the building of community centres and several small drainage schemes.

One of the main features of many R.I.D.A. projects has been the principle of self-help—i.e., money is normally provided by the authority on condition that a roughly equivalent contribution is provided by the beneficiaries, in the form of free labour, materials, or cash. Therefore a certain expenditure by the R.I.D.A. will promote a considerably greater value of actual work done.

The following table shows financial commitments and expenditure on R.I.D.A. projects up to the end of June, 1953 :—

	Financial Commitment ($)	*Spent up to 30th June*, 1953 ($)
Projects	6,465,620	3,202,619
Schemes	4,051,445	2,584,621
Total	10,517,065	5,787 240

" Projects " in the above table are loans and enterprises in which the capital employed should earn revenue and be conserved as an investment fund. A " scheme " is outright expenditure which is irrecoverable. In addition, $1,262,312 had been spent on projects directly managed by the R.I.D.A.

Civil Aviation.—Plans are included for bringing up to international standards airports at Penang, Kota Bahru and Kuala Lumpur, the improvement of airfields at Ipoh, Taiping, Alor Star and Kuantan, and the construction of a new airfield at Malacca.

Railways.—The main expenditure is on additional goods, rolling stock and locomotives to cope with increasing current demand. An additional deep water berth is planned at Port Swettenham.

Telecommunications.—The plan included the provision of automatic exchanges at Kuala Lumpur (completed in 1952), Penang and Ipoh, as well as 135 rural and five other automatic exchanges, and 34 manual exchanges in various parts of the Federation. A V.H.F. link is planned between Singapore, Kuala Lumpur and Penang, as well as along the East Coast.

Roads and Bridges.—Roads are to be constructed between Tanah Merah and Jeli in Kelantan, Grik and Kroh in Perak, Termerloh and Maron in Pahang, Kaki Bukit and Padang Besar in Perlis, and Tanjong Karang and Sabak Berram in Selangor. Plans are also in hand for the improvement of the east coast road in Trengganu and the main Ipoh and Penang road, as well as for the replacement of a number of temporary bridges.

Electricity.—The expenditure in the plan is for the Connaught Bridge steam turbine station, the first stages of hydro-electric development and the construction of a grid. Details of these projects will be found above, page 32.

Education.—The most important items in the education programme are the extension of English and Malay primary schools, especially in the rural districts, the re-building of the Technical College, the provision of training schools for English, Malay vernacular and Chinese teachers. This programme was delayed by difficulties over sites and lack of building capacity, but a certain amount of work had been done by 1954, including a new college for English school teachers, the extension of the Malay Women Vernacular Teachers' College and the completion of a number of rural Malay and English schools. A teachers' training college had been constructed at Kota Bahru, and the first phase of rebuilding the Technical College had been completed. A small proportion of the Education Plan is being financed from the proceeds of a special tax—Business Registration Fees—which yielded $5,500,000 in 1953.

Medical.—An important item in the medical programme was the improvement of facilities for the treatment of tuberculosis and two sanatoria had been completed by the end of 1953. Health and Welfare Centres are also planned, as well as a Nurses Training School.

Squatter Resettlement.—The aim of the re-settlement programme was to bring under administrative control many thousands of scattered families and communities, many of whom were tilling land to which they had no legal title, and most of whom were living in areas of the Federation far removed from any form of Government or State services. The main purpose of the programme was strategic, but the process of concentration also involved heavy expenditure on building, social services and agriculture.

Up to October, 1953, 560,000 persons had been moved into 546 new villages, a fact which dominated every other branch of the Government's capital works programme during the period between 1950 and 1953. This amounted to 1 in 10 of the Federation's population. The cost of resettlement and regrouping was $96 million up to the end of 1953. Expenditure up to the end of 1951 was made up of the following items :—

	$'000
General, i.e., housing grants, subsistence allowances, transport, preparation of sites, fencing, access and internal roads, drainage, etc.	29,890
Land acquisition	2,380
Schools	1,960
Medical and health requirements	360
Agricultural aid	20
Police buildings	6,390
Total	41,000

The economic effects of this programme have been mentioned above (see page 18). One of the main problems has been the supply of suitable agricultural land in reasonable proximity to the new villages, and the terms on which such land could be leased to non-Malays—who formed a large proportion of the people concerned. The policies followed varied from State to State, but most of the States have agreed to issue leasehold titles for periods of 20–30 years. It is the policy of the Federal Government to provide villages with an agricultural reserve, to enable each family to be given a half-acre holding of agricultural land. In the case of villages wholly dependent on agriculture, it is aimed to provide each family with 3–5 acres of agricultural land. Up to the end of August, 1953, 40,500 acres of land had been made available for this purpose, largely from State and Crown land set aside by State and Settlement Governments. Up to that date, nearly $2 million had been spent on the acquisition of agricultural land, but further land would have to be bought from private owners, and it was anticipated that another $10 million would be required for the completion of the agricultural reserves.

Other Development

The main fields of private development since the war have been in the rubber and tin industry—especially in the replanting of rubber estates and the replacement of dredges and other mining machinery destroyed during the war. There has not, however, been any considerable expansion of either of these industries, mainly because of the difficulties and uncertainties resulting from the emergency.

Among other new enterprises are a number of industrial undertakings, including a new soap factory in Kuala Lumpur and a cement plant near Batu Arang. Other branches of the economy where expansion has taken place recently include the growing of rice and pineapples, the manufacture of barbed wire, aluminium goods and a number of minor products.

Various public bodies have expanded their activities greatly during recent years. Details of these, including ports and harbour workers, railway reconstruction and electricity schemes, will be found in the section of this chapter dealing with these subjects.

V. MISCELLANEOUS

Weights and Measures, Currency, etc.

For details of weights and measures and currency in use in the Federation, see Appendix 3, p. 159.

Representation in London

The Governments of the Federation of Malaya and Singapore maintain an agency in London at the following address :—

Office of the Commissioner for Malaya in the U.K.
Malaya House,
Trafalgar Square,
London, W.C.2

SINGAPORE

I. GENERAL BACKGROUND

Geographical and Climatic Features

The Colony of Singapore, as at present constituted, consists of Singapore Island and Christmas Island. The Cocos Keeling Islands are to be transferred to Australian control.

Singpore Island has an area of 220 square miles or 140,800 acres. It lies entirely north of the equator between 1° 28′ 13″ North and 1° 15′ 43″ North. The longitude is from E. 103° 38′ 02″ to E. 104° 00′ 08″. It is 26 miles in length and 14 miles broad, with a highest point of 581 feet above sea level. The island is joined to the mainland of the Federation of Malaya by a road/rail link known as the Causeway.

Christmas Island has 60 square miles or 38,400 acres. It lies entirely South of the Equator and stretches from S. 10° 24′ 30″ to S. 10° 34′ 35″. The longitude is from E. 105° 34′ 00″ to E. 105° 46′ 00″. It has a greatest length of 11 miles and a greatest breadth of 11 miles.

The Cocos Keeling Islands, with an area of 5 square miles are about 700 nautical miles south-west of Java.

The island of Singapore with its nearby islets is divided into thirty-four mukims (rural areas) and thirty town divisions for purposes of land administration and for local government purposes into two areas, the Municipal area and the Rural Board area. The Municipal area covers 31·5 square miles.

The 220 square miles is almost equally divided between private and other holdings. 119 square miles are under private ownership on Freehold Grants, 999-year leases, statutory grants and 99-year or shorter period leases. 21·6 square miles are held by the Municipality, Singapore Improvement Trust, Singapore Harbour Board and Malayan Railways. 21·9 square miles is land held by the Crown in trust for the Admiralty, R.A.F. and War Departments. 2·5 square miles consists of forest reserve. 55 square miles is Crown Land, including Crown Reserves, permit holdings, food cultivation reserves, and land open for alienation.

The climate of Singapore is characterized by uniform temperature, high humidity and copious rainfall. The variation of temperature throughout the year is very small and the excessively high temperatures of continental tropical areas is never experienced. Although the days are hot and, on account of the high humidity somewhat oppressive, the nights are almost always reasonably cool. The average maximum temperature for the whole year is 86° F. and the average minimum temperature 75° F. The average for any one month does not depart from the annual mean by more than 2° F.

There are no well-marked dry and wet seasons. Rain falls throughout the year. Records for a number of years show that the average annual rainfall is 95 inches. December is the wettest month with a little over 10 inches while February, May, June, July and September are dry months, with between 6½ and 7 inches. Rain falls on the average on one day in two.

The wettest year on record is 1913 with 135·92 inches and the driest year 1888 with 63·21 inches. Prevailing winds are southerly from May to October and northerly from November to April.

Population

The total population of the Colony of Singapore as enumerated at the 1947 census amounted to 940,824 persons, of whom 938,144 were on Singapore Island. Both figures exclude all transients afloat, Service personnel enumerated in Service Establishments and Japanese prisoners of war.

The estimated population of Singapore Island as calculated in June, 1953, had increased to 1,120,777 persons. The estimate takes into account all migration and natural growth for the period since the census, but since migration statistics are on a pan-Malayan basis, the Malayan immigrational movements are allocated proportionately to Singapore and the Federation of Malaya on the basis of population count by race and sex as at the last census.

More than three-quarters of the population are Chinese, as is shown in the following table :—

POPULATION BY RACE
(Percentage)

	Census Count Singapore Colony			*Estimate for Singapore Island*
	1921	1931	1947	1953
Malaysians	12·9	11·8	12·3	12·2
Chinese	75·2	74·9	77·6	76·6
Indians and Pakistanis ..	7·7	9·1	7·3	7·8
Europeans	1·5	1·5	1·0	1·4
Eurasians	1·3	1·2	1·0	1·0
Others	1·4	1·5	0·8	1·0
	100·0	100·0	100·0	100·0

Sixty-two per cent of the Malaysians are Malays proper, while twenty-one per cent are Javanese and thirteen per cent Boyanese. The Indian element is mainly Tamil, Malayali and other Southern Indians and they account for sixty-one, fourteen and six per cent, of all Indians. Punjabis, Sikhs and Bengalis account for a further five, three and two per cent of the Indian community.

The Chinese consist of three predominant tribes, Hokkien, Cantonese and Tiechiu, the first of which accounts for almost forty per cent and the others for twenty-one per cent each of the total Chinese population. All three tribes come from Southern China. Tiechiu and Cantonese come from Kwantung Province. The Hokkiens originate in Fukkien Province.

The Malays are almost all locally born. Of the " Other Malaysians " in 1947, however, only 57 per cent were locally born. Nearly 60 per cent of Chinese living in Singapore in 1947 had been born there, and 36 per cent of the Indians.

Vital Statistics.—The following table shows birth, death and infant mortality rates for 1931, 1938 and the period 1947–1953.

VITAL STATISTICS, 1931–1953

Year	*Birth Rate (per '000)*	*Death Rate (per '000)*	*Infant Mortality Rate (per '000 live births)*
1931	36·4	24·2	191·3
1938	44·9	21·4	152·6
1947	45·9	13·3	87·3
1948	46·2	12·4	80·8
1949	47·1	11·9	73·0
1950	45·7	12·1	82·2
1951	46·2	11·9	75·2
1952	47·5	11·2	70·0
1953	48·7	10·3	67·0

The following table shows the age distribution of the Singapore population in 1947 :—

AGE DISTRIBUTION, 1947

Age Group	*Males (per 1,000)*	*Females (per 1,000)*
0–14	337	376
15–29	267	257
30–44	245	217
45–59	122	104
Over 60	29	44
Not stated	—	2
Total	1,000	1,000

This age distribution shows the results of an earlier period of large-scale immigration, especially in the disparity between men and women in the middle age groups. On the other hand, they also show the increasingly settled nature of the population, as compared with 1931, when there were more persons in the middle than in the lower age groups.

This increasingly settled nature of the population is illustrated by the changing sex ratio. Whereas there were only 489 females per 1,000 males in Singapore in 1921, and 583 in 1931, in 1947 there were 821 females per 1,000 males. Of the various racial groups in 1947, the Chinese had a ratio of 882 females per 1,000 males, the Malaysians 830 per 1,000 and the Indians only 334 females per 1,000 males.

Literacy.—Of the population of 15 years of age and over in 1947, 465 persons per 1,000 were literate. The literacy rate among men—647 per 1,000—was nearly three times that among women—225 per 1,000. 417 per 1,000 of the Chinese over 15 were literate, 686 per 1,000 of the Indians, and 478 per 1,000 of Malaysians. Only 116 persons per 1,000 over 15 years of age were literate in English, the proportions for the various racial groups being 115 for Malays, 105 for Chinese and 205 for Indians.

Occupations.—The following tables show the numbers in different occupations at the time of the 1947 census :—

OCCUPIED POPULATION, 1947

Industrial Group	*Males*		*Females*	
	Numbers	*Percentage*	*Numbers*	*Percentage*
Fishing	4,823	0·9	58	—
Agriculture	20,789	4·0	3,360	0·8
Mining and Quarrying	1,151	0·2	96	—
Manufacture	60,294	11·7	7,780	1·8
Transport	50,409	9·8	1,452	0·3
Commerce and Finance	76,560	14·8	6,489	1·5
Public Administration and Defence ..	51,123	9·9	3,187	0·8
Professional Service ..	5,107	1·0	2,451	0·6
Entertainment and Sport	3,222	0·6	957	0·2
Personal Service ..	27,545	5·3	18,714	4·4
Other	9,461	1·8	2,507	0·6
Total Gainfully Employed	310,484	60·1	47,051	11·1
No occupation including Unpaid Domestic Service ..	206,031	39·9	377,258	88·9
Total Population ..	516,515	100·0	424,309	100·0

POPULATION BY OCCUPATIONAL STATUS FOR SELECTED NATIONALITIES

(Percentage)

	Malays	*Malaysians*	*Chinese*	*Indian*	*European*
Wage Earners	89·2	91·9	70·5	85·8	91·04
Employers ..	·2	·1	2·2	1·8	3·45
Own Account	10·3	7·8	27·1	12·2	5·12
Indeterminate	·3	·2	·2	·2	·39
	100·0	100·0	100·0	100·0	100·0

As the foregoing tables show, the most important occupational groups in Singapore are those engaged in commerce, finance and manufacture. Among those engaged in " commerce ", there were in 1947 nearly 30,000 vendors, pedlars and hawkers, and over 16,000 salesmen, mercantile accountants and commercial travellers.

Of Malay males, 28 per cent were engaged in public administration and defence, 12·5 per cent in transport and communications, 4·8 per cent in manufacture, 4·6 per cent in commerce and finance and 4·4 per cent in fishing. Among Chinese males, 16·1 per cent were engaged in commerce and finance, 13·2 per cent in manufacture, 9·1 per cent in transport and communications, 4·8 per cent in agriculture and 4·9 per cent in personal services. Among Indian males, 31·6 per cent were engaged in public administration and defence, 17 per cent in commerce and finance, 11·4 per cent in transport and communications, 8·8 per cent in manufacture, and 5·7 per cent in personal services.

Social Amenities

Education

There are in the Colony two main groups of schools, the English schools, where the medium of instruction is English, and the Vernacular schools, in which the medium of instruction is either Chinese, Tamil or Malay.

The English and Vernacular schools are of three kinds:—

(*a*) Government owned schools ;
(*b*) Government aided schools ;
(*c*) Private schools.

Government owned schools are those for which Government is entirely responsible, but the help given by Government to the aided schools varies considerably in method and degree.

The following table sets out the relative position of all schools from 1941 until 1953 :—

NUMBERS OF SCHOOLS AND PUPILS

Medium	*Financed by*	1941*		1947		1953	
		Schools	*Pupils*	*Schools*	*Pupils*	*Schools*	*Pupils*
English	Government	31	17,500	13	19,514	80	37,556
	Government Aided			16		42	25,536
	Private	50	9,581	39	9,581	53	7,742
Chinese	Government Aided	39	12,000	49	33,291	111	58,586
	Private	331	26,000	105	20,187	162	20,686
Malay	Government	29	5,800	35	6,463	36	9,033
	Government Aided					1	203
Indian	Government Aided	18	1,000	11	919	21	1,271
	Private						
Junior Technical Schools	Government	—	—	—	—	1	190
	Government Aided	—	—	—	—	1	104
Miscellaneous		—	—	—	—	61	10,414
Total	.. .. ..	498	71,800	268	89,955	569	171,311

* Straits Settlements.

Higher education is provided at the University of Malaya at Singapore. The total enrolment at the end of 1953 was 954, of whom 372 were from Singapore. There is also a teachers' training college. The total number of teachers being trained there and in other institutions in 1953 was 1,156, including 751 men and 405 women. There are no courses for post-secondary technical training in Singapore, and students desiring such courses go either to the Technical College at Kuala Lumpur or overseas.

Originally Government grants in aid were based on the principle of encouraging certain standards of efficiency without any attempt being made to reconcile receipts and expenditure. Few such schools were ever free from financial embarrassment. The grants, too, were based on average attendances and the system was judged to be too restrictive to ensure the attainment and maintenance of an adequate standard of education.

In 1919 the Government agreed to underwrite the net expenditure incurred by schools for which annual estimates had been approved by the Education Department. This method of direct subsidy was taken a stage further when in 1921 Government agreed to pay half the cost of approved new buildings and structural alterations.

The general principle underlying previous Government policy towards vernacular education in general, when the Education Department was pan-Malayan, was to ensure free Malay Primary vernacular education. This meant that in a city like Singapore, where the Malays represent a small percentage of the total population, only a fraction of the children could hope to enjoy the privilege of free education.

Chinese and other communities were initially left to provide their own vernacular schools. Any member of the Chinese community could claim a place in the English schools, but there were not such available for all. Since 1924, however, the system of grants in aid has been extended to Chinese vernacular schools, the grants being graded according to the standard of education given and based on average attendance at the Schools. The grants vary from $10 to $20 per pupil per annum. There are no Government Chinese schools.

Indian schools are all primary and grants in aid of $8 per pupil per annum based on average attendance were given for all pupils between the ages of 5 and 14 years until 1950, when in addition to the capitation grant, a grant to cover aggregate teachers' salaries was also given. Indian schools now also receive a capital grant to cover 50 per cent of building costs.

Government expenditure on education in 1953 was made up as follows:—

GOVERNMENT EXPENDITURE ON EDUCATION, 1953

	$'000
Administration	781
English Education (Secondary and Higher)	4,007
English Education (Primary and Elementary)	11,685
Malay Education	957
Chinese Education	2,296
Indian Education	93
Vocational Education	1,117
Total	20,936

In addition, it is estimated that nearly $1,000,000 per annum is spent on education by voluntary agencies.

The Government has initiated a programme of development of educational facilities estimated to cost over $57 million. Details will be found in the section on development (below, page 62).

Health

The health of the population is good by tropical standards. As was seen above, the death rate has been about 11–12 per 1,000 during the past few years, and there has also been a general decline in infant mortality. The most important serious disease affecting the people of the Colony is pulmonary tuberculosis, which may be associated with the overcrowded conditions in which a large proportion of the population live. The death rate from this disease since the war has been between 1,000 and 1,500 per million of the population. Owing to improved drainage and other measures, malaria, which used to be widespread in Singapore, has been of little importance in recent years, although there was a recrudescence of the disease during the Japanese occupation as a result of the neglect of control measures. Venereal diseases are also widespread in the Colony, and there are smaller numbers of cases of poliomyelitis, leprosy and various tropical diseases.

Hospitals in Singapore include a General hospital (800 beds) a maternity and women's diseases institution (240 beds), a tuberculosis and chronic hospital (557 beds), venereal diseases hospital (70 beds), mental hospital (1,800 beds), orthopaedic institution (120 beds), leper home (793 beds), infectious diseases hospital (250 beds) and prisons division hospital (160 beds). There are also about 500 beds available in voluntary hospitals. Under the Colony's medical plan, inaugurated in 1948, it is planned to double the number of hospital beds available, with special emphasis on tuberculosis treatment. In addition to the out-patients' departments at the various hospitals, rural clinics are held regularly at various places throughout the island, as well as on a number of neighbouring small islands. Free midwifery services are provided for all poor mothers, and private midwives are supervised.

As a major sea and air port, Singapore is faced with the need to provide special port health services. Medical officers inspect aircraft and shipping arriving at Singapore. All ships and aircraft from infected areas are inspected and dealt with.

Housing

A large part of the population of Singapore live in acutely crowded conditions. In the congested parts of the urban area, many families do not live in even as much as one whole room, the common practice being the subdivision of rooms by partitions to form " cubicles ", many of them without any windows at all. According to the " Social Survey of Singapore, 1947 " prepared by the Singapore Department of Social Welfare, over 30 per cent of households in the City of Singapore were living in cubicles, and a further 15 per cent in " space "—that is, in portions of passages, under stairs and so on. The proportions were considerably higher in parts of the Inner City, in one district of which as many as 26 per cent of households were living in " space " and another 24 per cent in cubicles, and in another district 21 per cent of households were living in " space " and a further 41 per cent in cubicles.

These conditions of overcrowding did not affect only the poorest sections of the community. The Survey pointed out that, while overcrowding was greatest—over 80 per cent—among households living either free of rent or paying less than $2·50, even in the highest tabulated category, those paying more than $50 per month, the incidence of overcrowding was more than a half.

A Singapore Improvement Trust was established in 1927 to prepare a general Town Improvement Plan and to carry out specific Improvement Schemes. Its finances are mainly drawn from Government Loans and a municipal improvement rate. Since the formation of the Trust, the population of Singapore has more than doubled, and the housing situation has become correspondingly more difficult. New building activity has been unable to cope with the decay and replacement of old property, let alone the growth in population. Owing to the enormous growth of the problem, the scope of the Singapore Improvement Trust's activities has been widened. Before the war the Improvement Trust constructed 2,049 housing units and 54 shops. Building was recommenced after the war in 1947, and the following table shows the number of properties completed by the Trust since then:—

SINGAPORE IMPROVEMENT TRUST

Year	*Properties Completed*	
	Housing Units	*Shops*
1947	212	12
1948	528	69
1949	770	58
1950	1,058	44
1951	1,180	124
1952	1,823	63
1953	2,041	27

The total cost of Singapore Improvement Trust Building since the war up to the end of 1953 was about $60 million (about £7 million). The policy of the Trust until 1951 was to concentrate on middle-class type of accommodation, but since 1952 the greatest emphasis has been on artisans' flats.

In addition the public authorities in Singapore had provided about 3,700 housing units for the general public since the war up to the end of 1953, and private builders had completed about 6,000 in the same period. The Colonial Development Corporation has co-operated with a private building society for the provision of new housing and has also established a building society with a capital of $40 million for the financing of housing construction in the whole of Malaya, including Singapore.

Social Security

There is no comprehensive social insurance scheme in Singapore, but public assistance is given by the Department of Social Welfare to those in need, including aged persons, those suffering from advanced tuberculosis, widows and orphans, those permanently or temporarily disabled, and the unemployed. Expenditure on these schemes from public funds is estimated at about $2 million per annum, and a further $1 million is provided for special T.B. treatment allowances, which are restricted to patients whose prognosis is good and who are likely to be returned to their former working capacity within a reasonable space of time.

In addition to the provision of public assistance, the Department of Social Welfare provides services for the protection of women and children, operates children's social centres and creches, and a child feeding scheme. The total annual expenditure of the Department is over $5 million.

The Post Office Savings Bank had 25 offices in 1953, and the total amount standing to the credit of depositors at the end of 1953 was over $48 million—an average of $378 for each depositor, or about $43 per head of the population. The following table shows savings bank statistics for the period 1938–1953. Figures up to and including 1948 are for the whole of the old Straits Settlements, and are not strictly comparable with those for later years, which are for Singapore alone.

STRAITS SETTLEMENTS AND SINGAPORE SAVINGS BANKS, 1938–53

Year	*Number of Post Offices Transacting Savings Bank Business*	*Number of Accounts Open at end of year*	*Amount Standing to Credit of Accounts at end of year* ($'000)
1938	46	53,483	13,297
1939	47	55,925	13,404
1940	46	57,674	14,328
1946	35	75,632	22,892
1947	40	88,631	30,325
1948	41	99,618	35,336
1949*	19	74,246	27,405
1950*	19	80,862	28,957
1951*	21	103,241	36,107
1952*	23	115,597	43,011
1953*	25	128,839	48,684

* Singapore only.

Political Structure

The Colony of Singapore was constituted by Singapore Colony Orders in Council, 1946–50. These, together with the Royal Instructions of 27th March, 1946, provide for :—

(*a*) A Governor and Commander-in-Chief;

(*b*) An Executive Council consisting of the Governor as Chairman, four *ex-officio* members (the Colonial Secretary, the Attorney-General, the Financial Secretary, and the President of the City Council); two nominated official members ; four nominated unofficial members ; two members elected by the unofficial members of the Legislative Council from among themselves.

(*c*) A Legislative Council consisting of the Governor as President ; four *ex-officio* members (as for the Executive Council) ; five nominated official members ; and not more than twelve elected members, of whom three were elected by the European, Chinese and Indian Chambers of Commerce, and the remainder by popular franchise from single-member electoral districts.

The principal departments of Government concerned with economic affairs are the Department of Commerce and Industry (in which are Divisions concerned with agriculture, fisheries, forestry, veterinary affairs, foreign exchange control, imports and exports control and supplies) and the Departments of Customs and Excise, Public Works, Civil Aviation, Marine and Marine Surveys, Immigration and Passports, Statistics, Co-operative Development, Treasury, Income Tax and Customs and Excise.

There are two local authorities, the Singapore City Council and the Singapore Rural Board under which are a number of District Boards. The City Council's functions include the maintenance of public buildings, parks and open spaces, refuse collection and disposal and street cleaning, the maintenance of roads, bridges, sanitary installations and sewerage, fire prevention, public health and the licensing of vehicles, as well as public utilities such as electricity, gas and water. The importance and wide range of activities of the City Council can be judged from the fact that its annual budget, excluding commercial services, is over $30 million, the trading departments' annual revenue is more than $40 million, and other subsidiary accounts bring the total of the annual accounts to over $80 million. The City Council consists of twenty-seven members, eighteen of whom are elected by popular vote.

A Constitutional Commission under the Chairmanship of Sir George Rendel recommended certain changes in the constitution in a Report submitted early in 1954. The main proposals were that the Legislative Council should be transformed into a Legislative Assembly of thirty-two members, of whom twenty-five should be elected unofficials, three *ex-officio* officials holding Ministerial posts and four nominated unofficials, and that the Executive Council should be replaced by a Council of Ministers, of whom three would be *ex-officio* official members and six would be elected members appointed by the Governor on the recommendation of the " Leader of the House ", who would be the leader of the largest party in the Assembly or of a coalition of parties assured of majority support. It was also proposed to replace the City Council and Rural Board by an Island-wide authority to be called the " City and Island Council ". English was to remain the official language of the Colony.

The Colony maintains certain services jointly with the Federation of Malaya. These include Statistical services, income tax collection, immigration and passports, film censorship, and broadcasting. There is also a Regional Civil Aviation Headquarters and Regional Air Traffic Control Centre. The Office of the Commissioner-General for the United Kingdom in South-East Asia is in Singapore (see below, page 158).

Principal Economic Legislation

Imports and Exports.—Under the Control of Imports and Exports Ordinance (No. 43 of 1950) with certain exceptions goods may be imported or exported only in accordance with a permit or licence. Import of a large range of goods from most countries outside the Dollar Area and Japan is, however, permitted under Open General Licence. Export licences are usually freely given except for goods of dollar or Japanese origin to other than traditional entrepôt markets, and for strategic materials to China, North Korea and certain other destinations. Applications to export strategic materials to Hong Kong must be accompanied by a Hong Kong Essential Supplies Certificate.[†] Exchange Control is regulated by the Exchange Control Ordinance (No. 12 of 1953) under which no person other than an authorised dealer may deal in gold or foreign currencies. The Ordinance also places restrictions on transfers of securities and on imports and exports of currency.

[†] For further details, see the " Import and Export Guide " issued by the Imports and Exports Division, Department of Commerce and Industry, Singapore.

Companies.—The registration and operation of companies are controlled by the Companies Ordinance (No. 49 of 1940) and the registration of business names is enforced by Ordinance No. 31 of 1940. The law concerning bankruptcy is laid down in Chapter 45 of the Revised Laws.

Immigration into the Colony is controlled by Ordinance No. 5 of 1952, under which entry permits or passes are required for persons entering the Colony, except for British subjects born or ordinarily resident in Malaya, Federal citizens, and certain other classes.

Labour.—The general conditions of employment of labourers as laid down in the Labour Ordinance (Chapter 69 of the Revised Laws) as amended by Ordinances Nos. 21 and 61 of 1941 and No. 10 of 1947. The registration and control of trade unions are enforced by Ordinance No. 3 of 1940 as amended by No. 6 of 1941. Under Ordinance No. 11 of 1953 the Governor-in-Council may establish wages councils in industries where no adequate machinery exists for the regulation of remuneration. Weekly holidays for employees in shops, restaurants and theatres are laid down by Ordinance No. 4 of 1949. Child labour is restricted by the Children's Ordinance (No. 17 of 1939).

Co-operative Societies.—Ordinance No. 20 of 1953 controls the registration of co-operative societies, and lays down regulations for their operation.

Rent and Price Control.—Under Ordinance No. 20 of 1953, restrictions are placed on the rights of landlords to increase rents, and a Rent Conciliation Board is established to hear applications for fixing rents. Under Ordinance No. 6 of 1950, a Price Controller was appointed with powers to fix maximum prices and charges in respect of controlled articles and services.

Taxes.—Income tax is levied under Ordinance No. 39 of 1947, and estate duty by No. 30 of 1946. For rates of tax, see above, page 37.

Communications

Harbours.—Singapore is the largest port in South-East Asia, comparing in size very roughly with Glasgow or Manchester, and its principal economic activities are a direct or indirect result of this position. The economic history of Singapore is, to a large extent, the history of the port. Its development resulted from the fact that it was founded as a free port, a principle which has remained at the root of its administration ever since.

The facilities of the harbour fall into two groups—first, the area administered by the Singapore Harbour Board at the South of the Island to the north of Keppel Harbour, and protected by islands, and secondly, the Roads to the East of the City, the inner part of which is protected by an artificial mole. The earliest development of the port of Singapore was in the latter of these areas and in the Singapore River which flows through the oldest part of the city. To-day, however, the most important part of the port is the Harbour Board area, although the tonnage of ships entering and leaving the Roads is considerably in excess of the tonnage worked at the Harbour Board. In terms of cargo handled, however, the Harbour Board area is the more important. In general, bulk commodities entering Singapore are discharged at the Roads usually by lighter, since only small ships can use the Inner Roads.

The Harbour Board is the successor of a Dock Board which was set up by the Singapore Government in 1905 to take over facilities which had been developed by private capital. This was superseded in 1913 by the Harbour Board on roughly its present lines. It is Government owned, but has its own financial structure and is fairly independent of Government in its day to day working. Members of the Board are appointed by the Governor, and usually include the Colonial Secretary and members of the local business and shipping communities.

The facilities of the Harbour Board include five graving docks, the largest of which can take ships of 850 feet in length and a dockyard which is equipped with modern machinery, and is the only civilian undertaking in Malaya which carries out the repair of ocean ships. The Board's premises cover 700 acres, with over 2½ miles of wharves. Mechanised handling of cargo was introduced in 1949. There were at the end of 1953 about 41 acres of enclosed storage space.

The "Roads" are administered by the Master Attendant, although dredging and reclamation are carried out by the Public Works Department. The facilities they offer include 7½ miles of public quays used mainly by lighters, as well as an artificially constructed basin at Telok Ayer with quays and warehouses both on the Singapore River and at Telok Ayer.*

The following table shows cargo loaded and discharged at Singapore during the past few years:—

TONNAGE DISCHARGED AND LOADED, 1947–1953

Year	*Vessels of over 75 tons net register*		*Vessels of 75 tons and under and native craft*	
	Discharged	*Loaded*	*Discharged*	*Loaded*
1947 (*a*)	1,271,211	827,775	N.A.	N.A.
1948	1,923,310	1,429,287	N.A.	N.A.
1949	3,125,257	1,774,280	133,168 (*b*)	61,736 (*b*)
1950	3,881,704	2,331,649	426,970	199,480
1951	4,840,210	2,565,180	457,094	294,567
1952	4,739,410	2,340,763	471,002	304,509
1953	4,310,244	2,277,003	424,707	216,111

(*a*) April–December. (*b*) September–December.

Of the cargo discharged by vessels of over 75 tons net register in 1953, 2,545,000 tons, or 59 per cent, was discharged over Singapore Harbour Board wharves, the remaining 1,765,000 tons, or 45·4 per cent, being discharged mainly at the Roads. Of cargo loaded on to such vessels, 1,616,000 tons, or 71 per cent, was loaded at Singapore Harbour Board wharves, the remaining 661,000 tons, or 29 per cent, being loaded from the Roads. Almost all the cargo of smaller vessels was loaded and discharged at the Roads. Most of the bulk commodities imported into Singapore are discharged at the Roads, as well as miscellaneous Chinese products in demand among the Chinese inhabitants of Malaya.

Of the total tonnage of shipping using Singapore during 1952, 34 per cent was British, 20 per cent was Dutch, 8 per cent Japanese, 7 per cent American, 7 per cent Norwegian, and 5½ per cent French. Shipping routes from many parts of the world converge on Singapore. There are regular and frequent services to America, Africa, Australia, Europe, as well as other parts of Asia such as India, Ceylon, Hong Kong, Japan, Indonesia and British Borneo, and coastal shipping serving other ports of Malaya.

The following table shows the number of ships on the Singapore registry in 1953:—

SHIPS ON SINGAPORE REGISTRY, 1953

Type	*Number*	*Tonnage*	
		Gross	*Net*
Steam	31	38,614	20,120
Motor	147	70,264	37,184
Sailing	88	14,006	13,033
Total	266	122,884	70,337

Railways.—Singapore is the southern terminus of the Malayan Railway, and is connected to both the West and East Coast lines. For details concerning the operations of the Malayan Railway, see above, pages 11-12.

Roads.—There are 397 miles of roads in the Colony maintained by the Public Works Department and the City Council. Both the City and the island are well served by a network of good roads and the island is connected with the Federation by road across the causeway. The following table shows the increase in the number of vehicles registered in Singapore since 1940:—

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* For further information, see "Report on the Principal Ports of Malaya" by D. F. Allen (Kuala Lumpur, 1951).

MOTOR VEHICLES REGISTERED
IN SINGAPORE, 1940–1953

End of Year	*Motor Cars*	*Goods Vehicles*	*Motor Cycles*	*Others**	*Total*
1940	10,758	3,742	859	1,405	16,764
1946	4,439	4,428	1,120	1,590	11,577
1947	7,419	5,377	1,801	2,473	17,070
1948	10,728	6,553	3,183	2,736	23,200
1949	13,693	6,496	3,907	1,809	25,905
1950	16,592	6,884	4,772	2,276	30,524
1951	22,702	7,786	5 712	2,435	38,635
1952	27,919	8,920	6,400	2,636	45,875
1953	31,475	9,385	7,016	2.851	50.727

* Taxis, omnibuses, trolleybuses, road rollers, etc.

Civil Aviation.—The international airport at Kallang is a main stopping place on air routes between Europe and Australia, and there are also frequent services to Hong Kong, Djakarta, Bangkok, Saigon, Manila, Calcutta and Colombo, as well as the Federation of Malaya. There is a 6,000 feet runway, suitable for aircraft up to Constellation size, as well as a grass strip for light aircraft. The airport is provided with full facilities as regards to Customs, Health and Immigration control.

A new international airport is under construction at Paya Lebar (see below, page 62).

The following table shows Singapore air traffic statistics during recent years:—

SINGAPORE AIR TRAFFIC, 1947–53

Year	*Number of Landings*	*Number of Passengers*			*Mail ('000 kilos)*			*Freight ('000 lb.)*		
		Arrived	*Departed*	*In Transit*	*Landed*	*Despatched*	*In Transit*	*Landed*	*Despatched*	*In Transit*
1947	2,075	13,186	13,252	14,443	248	224	1,383	479	553	614
1948	2,623	27,004	26,354	6,945	268	299	449	524	947	415
1949	3,165	31,911	30,271	10,018	447	485	1,012	1,004	1,351	948
1950	3,955	44,460	42,817	15,543	526	707	1,356	1,377	2,344	1,440
1951	4,776	58,609	56,584	18,521	470	674	990	3,428	5,932	996
1952	5,996	66,328	64,394	14,825	384	437	531	2,790	6,391	842
1953	5,689	62,391	61,565	16,396	388	408	597	1,943	3,036	1,053

Posts, Telegraphs and Telephones.—There were in 1952 twenty-five Post Offices and seven Postal Agencies in the Colony. The Postal Services Department is part of the Pan-Malayan Postal organisation with headquarters in Kuala Lumpur. Post Office Savings Bank statistics are given above (see page 48).

The local telephone service has been operated by a limited company under licence from the Government since 1905, but in 1951 the Government notified the comapny that it would exercise its option under the terms of the licence to take over the undertaking at the end of 1954, after which date the telephone service would be operated by a statutory board. The main exchange in the centre of the City is linked with six satellite exchanges. The number of exchange lines in service at the end of 1953 was nearly 19,000, with about 13,000 extensions, and the daily average number of calls was about 420,000.

The trunk telegraph and telephone services between Singapore and the Federation of Malaya are provided by the Telecommunications Department on carrier telephone and voice frequency telegraph system operating over open wire circuits. There is also a public teleprinter service between Singapore and the main towns in the Federation of Malaya.

An overseas radio/telephone service is provided by the Telecommunications Department to the United Kingdom, Hong Kong, Australia and North Borneo. High frequency wireless telegraph services are maintained by the Department to the Federation of Malaya, Sarawak, Brunei, Christmas Island and Thailand. Other external telegraph services are maintained by Cable and Wireless Limited on a world-wide basis.

II. PRODUCTIVE ACTIVITIES

Agriculture

Agriculture is of minor importance in the economy of Singapore. Of the total occupied population in 1947, only 4 per cent of males and 0·8 per cent of females were engaged in agriculture. The climate is similar to that in the Federation, and many of the agricultural factors noted there apply also to the Colony, except that Singapore is fairly low-lying and less subject to erosion.

The following table provides a rough classification of land use in Singapore:—

LAND USE

	Square Miles
Arable land	14·3
Land for growing tree crops	49·8
Permanent meadow or pasture ..	Nil
Wood or forest land	2·5
All other land (including urban areas)	145·4
Total	212·0

The island was originally covered by tropical forest, but very little of this now remains. Generally speaking, outside the urban areas, rubber and coconut plantations, orchards and vegetable farms are to be found wherever the soil is suitable for them, but elsewhere there are areas of secondary scrub growth where cultivated lands have been abandoned.

The following table shows the area under various crops before and since the war:—

CROP AREA, 1940 AND 1952
(Acres)

	1940	1952
Rubber	51,711	19,754
Coconuts	8,248	7,800
Fruits	4,115	4,990
Spices	422	430
Vegetables	3,564	3,950
Sweet potatoes	1,500	2,000
Other food crops	138	1,100
Other crops	188	368
Total	69,886	40,392

As the above table shows, the crop area is lower than before the war, almost entirely as a result of the cutting down of rubber plantations during the Japanese occupation for the growing of food crops. Much of this land was of poor quality and has gone out of cultivation since the end of the war. There has, however, been an expansion in the area under fruits, vegetables and other food crops as compared with 1940. Much of Singapore agriculture, in fact, consists in the highly intensive cultivation of vegetables by Chinese market gardeners.

Rubber still occupies nearly 50 per cent of the cultivated area in the Colony. Of the total area under rubber at the end of 1953, 10,881 acres, or 58 per cent, was in estates over 100 acres, and the remaining 7,832 acres, or 42 per cent, was in smallholdings. Output of estates is mainly in the form of high-grade smoked sheet, whereas that of smallholders is mainly unsmoked sheet. The following table shows output of rubber during recent years :—

RUBBER PRODUCTION, 1940-53
(Tons)

Year	*Estates*	*Smallholdings*	*Total*
1940	2,051	836	2,887
1947	665	468	1,133
1948	721	490	1,211
1949	806	440	1,246
1950	892	613	1,505
1951	834	63e	1,466
1952	652	937	1,589
1953	683	914	1,597

For information covering the rubber industry generally, see above, pages 18-21.

As in the Federation, the cultivation of *coconuts* is primarily a smallholders' industry. Output is about 15,000,000 nuts per annum. Copra curing is carried on by middlemen, seven curing kilns being in operation in 1952. Most of the nuts are, however, sold fresh on the local markets. For information on copra prices, see above, page 22.

Output of *vegetables and other food-crops* in 1952 was estimated at about 25,800 tons. Of these, it is estimated that output of sweet potatoes and yams was about 6,000 tons, manioc about 4,000 tons, and vegetables about 14,000 tons.

There are two types of vegetable farming in Singapore—upland farming and lowland farming. The former consists of mixed crop and livestock, with pig manure as the source of fertiliser. Crops are mainly sweet potatoes, gourds, cucumbers, cowpeas and kankong (a green leaf vegetable). Lowland farming is practised mainly in the Municipal area where the keeping of pigs is prohibited. Crops are mainly cabbage, onions, celery, watercress and kankong. The main fertiliser is prawn dust, the cost of which to farmers was about 30 cents per kati (1⅓ lb.) in 1952. Generally the holdings under lowland farming are smaller than in upland farming—about 1 acre as compared with 3 acres—but net financial returns per holding are little different. Output of vegetables is equivalent to less than a half of local consumption, the remainder being imported from the Federation of Malaya and elsewhere. Almost all vegetable seeds are imported from China and Thailand.

Fruits grown are similar to those grown in the Federation (see page 18). Output of bananas and plaintains is estimated at some 1,600 tons per annum. The area under pineapples has been declining during recent years, and the pineapple canning industry is relying to a greater extent on imports from Johore.

Land Tenure.—By far the greater amount of the land held under title in the Colony is in effect alienated in perpetuity. The following table gives an estimate of the land held under various kinds of title in 1953 :—

LAND HELD UNDER TITLE, 1953

Nature of Title	*Number*	*Acres*
Freehold (indentures, grants, grants in fee simple)	2,158	19,446
Statutory grants	4,651	39,437
Leases for 999 years	3,371	12,211
Leases for 99 years or less	2,420	4,935

There are no restrictions on the holding of land by aliens or by members of any race, except for a 100-acre area reserved for Malays.

Animal Husbandry

The most important form of animal husbandry practised in Singapore is the keeping of pigs by Chinese smallholders as part of their mixed farming system. The following table shows the number of livestock recorded in recent livestock censuses :—

NUMBERS OF LIVESTOCK
(Census figures)

	1939	1947	1953
Buffaloes	1,083	319	522
Oxen	4,413	2,788	4,187
Goats	3,076	827	816
Swine	164,395	60,954	218,998

It is estimated that there are also about 3½ million poultry.

As the above table shows, there was a large fall in the livestock population during the occupation, but the numbers of oxen and swine are now at or above their pre-war level. The following table shows numbers of livestock slaughtered in Singapore in 1940 and since the war :—

LIVESTOCK SLAUGHTERED IN SINGAPORE

Year	*Buffaloes*	*Oxen*	*Goats*	*Sheep*	*Swine*
1940 ..	72	14,147	10,870	35,966	283,216
1946 ..	4,773	3,759	1,672	27,236	194,033
1947 ..	4,322	2,608	1,038	51,712	222,778
1948 ..	1,816	3,641	2,285	46,163	216,877
1949 ..	318	3,602	2,860	58,666	281,038
1950 ..	810	4,303	2,816	50,047	263,073
1951 ..	2,140	4,246	3,159	37,397	238,451
1952 ..	2,314	4,248	2,288	57,743	320,076
1953 ..	1,101	5,568	2,022	56,506	328,573

Of the cattle slaughtered in Singapore, some four-fifths are normally imported, mainly from Bali and the neighbouring Indonesian islands. On the other hand, by far the greater number of pigs slaughtered are locally bred by Chinese smallholders.

Estimates of the value of livestock products in Malaya are given above, page 23.

As a result of squatter resettlement in the Federation of Malaya, there was, especially during the period 1951-53, a reduction in the local supply of pig products, and a small export trade from Singapore to the Federation of Malaya started.

The poultry industry in the Colony has expanded rapidly during recent years, mainly as a result of the introduction of anti-Ranikhet vaccine produced at the Veterinary Research Laboratories at Ipoh in the Federation of Malaya.

Forestry

With the exception of some very small areas of Crown forest and City catchment areas which, through protection by reservation, still contain some of the original flora, almost all of the original forest on Singapore Island has long since been destroyed and only small patches of non-productive secondary forest remain. For all practical purposes no timber or other forest produce is derived from the forests on the Island. Singapore is, however, an important producer of timber and other forest products from imported raw material. There are 25 major saw mills and over 10 minor ones, as well as many re-sawing and woodworking plants. There is also a large modern plywood factory, which was opened in 1951. Production of sawn timber in 1953 was 170,000 tons.

Fisheries

In spite of the apparently favourable position of Singapore for the development of a fishing industry, local production accounts for only about a quarter of local consumption, the greater part of the deficiency being made up by imports from the Federation of Malaya. This deficiency partly results from the better investment opportunities available in other activities in Singapore, and partly from unfavourable natural conditions for fishing in the immediate neighbourhood of the Island. The resident fish population is small, and it is probably being exploited nearly to its limit at present.

Fishing methods used in Singapore are many and varied. In the inshore fisheries, palisade traps (*Kelongs*) are most successful, but beach seines, drift nets and unbaited fish-pots are also widely used. The off-shore fleet uses pair-trawling, long-lining, trolling and drift-netting. Off-shore fishermen are gradually going farther afield, and areas recently fished include grounds off the coast of Borneo. The following table shows production in 1950–52 by different methods :—

FISH PRODUCTION, 1950–52

(Estimated)

(Long Tons)

	1950	1951	1952
Near-Water Units			
Palisade Traps	2,402	2,519	1,971
Fish-Pots	168	125	219
Drift-nets	284	387	731
Beach seines	627	563	495
Sunken seines	—	7	13
Total Near-Water ..	3,481	3,601	3,428
Distant Water Units			
Troll-lines	—	135	334
Long-lines	—	59	459
Traps	—	9	185
Gill-tangle nets	—	—	179
Japanese drive-in net ..	—	333	355
Pair trawling	—	—	574
Total Distant Water ..	—	535	2,085
Grand Total	3,481	4,136	5,513

In addition, about 600 tons of prawns and 120 tons of carp were produced in 1952 from ponds.

As the above table shows, there has recently been a considerable expansion in off-shore fishing, mainly as a result of an increase in the fleet and the fitting of motors to many vessels. The 1950 figures in the above table are, however, known to be deficient, since a certain amount of fish caught by off-shore fishermen was not recorded.

There were 4,655 licensed fishermen engaged in the fishing industry at the end of 1952. Of these, 2,787 employed non-powered vessels, 1,696 were crew and fishermen on powered vessels and there were 172 prawn pond fishermen. About 3,200 of the fishermen were Chinese and 1,400 Malays. There were at the end of 1952, 2,629 licensed fishing boats, of which 582 were powered (205 with in-board and 377 with outboard motors). The number of powered boats more than trebled between 1950 and 1952, there being a particularly large increase in the number of outboard motors. A considerable part of this expansion is the effect of Government assistance. A Fisheries Loan Fund of $250,000 was established in 1951, and in 1952 a further $150,000 was allocated for this purpose. Loans have been approved for the establishment of an off-shore drift-net unit, for the construction of two new and powerful trawlers, for the mechanisation of small vessels and for long-line and purse-seine operations.

There are five major auction markets for fish in Singapore, two of which are owned by the City Council, the other three being privately owned. The following table shows wet fish auctioned in Singapore markets in 1950–53 by place of origin :—

WET FISH AUCTIONED IN CITY AND PRIVATE MARKETS, 1950–53

Place of Origin	1950	1951	1952	1953
Indonesia	2,220	2,040	2,030	1,920
Federation of Malaya	4,760	3,840	3,240	3,380
Singapore*	3,100	3,930	4,270	4,550
Other Territories ..	100	80	110	190
Total	10,180	9,890	9,650	10,040

* i.e. Singapore licensed craft.

The above table shows the growing importance of Singapore fisheries in relation to the local market. Whereas in 1950, Singapore craft supplied 30 per cent of fish sold, in 1953 the proportion had risen to 45 per cent.

The retail trade is mainly financed by the wholesalers. Investigations have shown that the fishermen rarely receive less than 60 per cent of the retail value of their catches. There are, however, periods when, due to the shortage of local storage space, sudden gluts of fish depress local prices below an economic level.

Manufacturing and Processing Industries

Apart from entrepôt trade and other commercial services, manufacturing and processing industries are the most important economic activity in Singapore. A wide range of goods is produced, but, apart from ship building and repairing and tin smelting, there is little heavy industry in the Colony. The following table, showing labourers employed in industry at the end of March, 1953, gives some impression of the wide range of industries and their relative importance:—

LABOURERS EMPLOYED IN INDUSTRY, MARCH 1953

Industry	*Numbers Employed*
Pineapple canning	459
Bakery products	1,542
Other food manufacturing ..	2,106
Soft drinks and carbonated water ..	1,205
Breweries and malt manufacture ..	728
Other Beverages	69
Tobacco	229
Textiles (weaving, dyeing and bleaching)	435
Wearing Apparel, etc.	1,072
Footwear (including rubber footwear) ..	1,347
Sawmills	1,494
Other wood and cork manufactures (except furniture)	1,781
Furniture	877
Paper and paper products	247
Printing, publishing, etc.	2,903
Leather and leather products (except footwear)	145
Rubber milling	2,408
Rubber grading and packing	4,368
Rubber smoking (not on estates) ..	284
Rubber products (except footwear) ..	773
Coconut oil milling	293
Soap	253
Patent Medicines	237
Other chemicals and chemical products	986
Bricks and tiles	907
Glass and glass products	856
Other non-metallic mineral products ..	433
Iron and steel basic industries including general iron and steel foundries ..	366
Tin smelting	463
Other non-ferrous metal basic industry	26
Blacksmithing	124
Manufacture of metal containers ..	207
Aluminium products	387
Other metal products	1,152
Machinery	3,690
Dry cells, batteries, etc.	511
Shipbuilding and repairing, including marine engineering	9,423
Assembly of motor vehicles	308
Repair of motor vehicles and motor cycles	4,135
Other transport equipment	328
Jewellery and related articles	717
Ice	400
Other industries	226
Total	50,900

Persons in the foregoing occupations accounted for 44 per cent of all employed labourers in the Colony (see below, page 55).

As the above table shows, industries employing the largest numbers were shipbuilding and repairing, rubber grading, packing and milling, and the manufacture of machinery. The following notes briefly describe some of the main industries of the Colony.

Shipbuilding and Repair.—The largest shipbuilding and repair organisation in the Colony is H.M. Dockyard at Seletar. This employed some 8,500 men in 1953. The Singapore Harbour Board's dockyard is the largest civilian undertaking in this field. The Board has five graving docks, the largest of which can take ships up to 850 feet in length. A sixth graving dock is under construction. The Board also maintains five slip and launching ways. About one million tons of shipping was docked and 178 vessels were slipped during 1953 in the Board's dockyard. Most of this work is normal periodic overhaul, but the complete reconstruction of ships is from time to time undertaken and small craft, pontoons, etc., are constructed.

There were also in 1953 over 23 private firms engaged in shipbuilding and repair. Most of their work consists of routine maintenance of launches and junks, but boats are also built, some 40 large craft being constructed in 1952. Large numbers of fishing boats and pleasure craft are also built.

Saw milling.—There were 25 major and 10 minor sawmills operating in Singapore in 1953. All the saw-logs cut are imported, imports in 1952 totalling 220,000 tons—of which 144,000 tons came from the Federation of Malaya and 74,000 tons from Indonesia. Owing to the recurrent local shortages of timber, exports have been prohibited at various periods since the war, but these restrictions were relaxed in 1952, except for primary hardwoods which were still in short supply locally. Production of sawn timber in 1953 was 170,400 tons, compared with about 100,000 tons in 1950. Exports in 1952 amounted to 57,854 tons. (All above figures are in tons of 50 cubic feet.)

Rubber products (other than footwear).—Singapore's position in the rubber trade has encouraged the growth of a rubber manufacturing industry. Products include rubber sheeting, rubber tubing and hose, rubber flooring and rubber compounds, almost entirely for re-treads.

Rubber milling.—There were in 1952, 13 rubber milling factories, which process low-grade rubber imported mainly from Indonesia.

Tin smelting.—There is one major tin smelter in the Colony, on an island off Singapore. Between 80 per cent and 90 per cent of ores smelted come from the Federation of Malaya, the remainder coming from Thailand and elsewhere (see also, page 26).

Spinning.—A spinning mill for cotton, staple fibre and acetate viscose spun yarn was opened in 1953. Output in 1953 was 1·4 million pounds.

Aluminium goods.—Aluminium household utensils are manufactured by one large European and two smaller Chinese concerns. Output in 1952 was valued at $2 million.

Beverages.—There are two breweries, with an annual output of some 8 million gallons of beer and stout. A fully mechanised factory manufacturing a non-alcoholic beverage was established in 1952.

Building materials.—Output of bricks (burnt pre-cast, hollow cement and blocks) was 47·8 million in 1950, 54·2 million in 1951, 55·5 million in 1952 and 49·6 million in 1953. Asbestos roofing and sheeting is also produced.

Footwear.—A European firm is the major producer of leather footwear in the Colony. Output of leather shoes in 1952 was 180,000 pairs. The production of rubber footwear is on a far larger scale, 2·8 million pairs of rubber shoes and sandals having been produced in 1953.

Metal boxes.—About 26 million tin cans were produced in 1952 by one firm.

Oil mills.—Copra imported from the Federation of Malaya and Indonesia is milled for local consumption and export.

Soap.—The output of soap during recent years was as follows :—

SOAP PRODUCTION, 1947–53

Year	*Cwt.*
1947	375,794
1948	302,012
1949	271,759
1950	247,989
1951	261,198
1952	237,903
1953	238,000

Pineapple canneries.—There are three pineapple canneries in operation. For further information concerning the industry, see above, page 22.

Sago.—Raw sago is imported, and exported as pearl or sago flour. There are six factories operating, and operations are mainly by hand.

Others.—There are large numbers of small engineering workshops, and a wide variety of other industries, as is suggested in the table on page 52.

The following table shows the output of certain major industrial products in 1953:—

INDUSTRIAL PRODUCTION, 1953

Commodity	*Output*
Remilled Rubber	96,000 tons
Rubber Sheeting	388,000 lb.
Rubber Footwear	2,780,000 pairs
Rubber Compound	645,000 lb.
Coconut Oil	17,000 tons
Soap	12,000 tons
Sago Flour and Pearl	26,000 tons
Tinned Pineapple	308,000 cases
Soya Bean Sauce	1,740,000 gallons
Biscuits	284,000 cwt.
Bricks	50 million

Industry has developed in Singapore without any special Government assistance by tariffs or other means. Tariff protection is necessarily incompatible with Singapore's status as a free port, and the *laisser-faire* principles on which the Colony has developed. On the other hand, Singapore's position as an entrepôt has naturally facilitated the growth of certain types of industry. For example, a normal part of Singapore's entrepôt trade is breaking bulk and re-packing, and processing of the article repacked is a natural development from this function. Thus the rubber milling, tin smelting, and copra milling industries have grown in the Colony. Shipbuilding and repairing are also a natural consequence of the Colony's position. Moreover, the prosperity of the Colony, based on its extensive commercial activity, has provided an important local market for manufactured goods and industrial services.

Apart from initial allowances for capital expenditure, the main organised scheme for assisting industry is the Colonial Development Corporation's Industrial Estate at Bukit Temah (see below, page 63).

Other Economic Activities

Entrepôt Trade.—The foundation of Singapore's prosperity is her entrepôt trade, and the financial and commercial services with which it is associated. According to the 1947 census, 14·8 per cent of the occupied male population were engaged in commerce and finance—a higher proportion than in any other single occupation. This figure, however, is not an accurate measure of the importance of the entrepôt trade both because it includes many persons engaged in other occupations—shopkeepers, hawkers and so on—and because it excludes persons in other occupations who are connected with this part of the economy—many labourers, persons engaged in transport, and others. Also, the indirect influence of the entrepôt trade on other branches of the economy, such as processing industries, is of primary importance.

The entrepôt trade can be roughly divided into two branches—the direct transhipment of articles imported, and breaking bulk, re-packing and possibly processing of other articles. Examples of this latter branch of activity have been given above, and include the milling of rubber and copra, the smelting of tin, and the canning of pineapple. Many bulk commodities, however, such as grains, are merely transhipped.

No accurate figures are available concerning the value of Singapore's entrepôt trade, but it was estimated by Dr. Benham that the income from entrepôt trade for Malaya as a whole in 1950 was of the order of $340 million. This included $50 million from freight earned by Malayan vessels. By far the greater part of this income was on account of Singapore's entrepôt trade.

Singapore's role as an entrepôt is to import the raw materials produced in the East Indies for re-export to the West, and to import the manufactured products of the industrial countries for re-export to Indonesia, the Federation of Malaya, and other countries of the region. There is also a re-export trade between countries of the region, especially in rice and other foodstuffs. Singapore thus plays a key part in the system of distribution of South-East Asia.

The main commodities traded are textiles, imported principally from Japan, India and the United Kingdom and re-exported to Indonesia and Thailand ; rubber, imported from the Federation of Malaya, Indonesia and British Borneo, and re-exported to the United Kingdom, the United States, France, Japan and many other countries ; tin, imported as ore from the Federation of Malaya, Thailand and Burma, and re-exported as tin mainly to the United States, the United Kingdom and the Netherlands ; copra imported from the Federation and Indonesia, and re-exported largely as coconut oil to Burma, India and the Netherlands; and petroleum products, imported from Indonesia and Sarawak, and re-exported to many territories. Moreover, there is a large trade in bunkering ships and aircraft.

For actual values of Singapore's trade, see below, page 61.

Internal Distribution.—Singapore is a Colony of traders and shopkeepers, and there is a highly complex and extensive system of internal distribution. As an indication of the importance of this trade, there were in 1947 nearly 14,000 persons described as proprietors, managers and assistant managers of retail businesses, nearly 30,000 vendors, pedlars and hawkers, and 1,400 proprietors, managers and senior staff of wholesale businesses (some of whom were engaged in external trade). These figures do not include labourers employed in these trades, who amounted in March, 1953, to nearly 5,000. Singapore is also the headquarters of many firms engaged in distribution in the Federation of Malaya.

More than three-quarters of those engaged in distribution are Chinese, but many of the largest firms are European owned.

Professions.—The following table shows members of some of the principal professions in 1953 :—

PRINCIPAL PROFESSIONS, 1953

Doctors on Register —	
Private Practitioners	249
Government	106
Others	63
Dentists on Register :—	
Qualified	53
Unqualified	263
Registered Nurses	805
Qualified Midwives	341
Registered Pharmacists	74
Teachers	5,642

Labour

The table on page 55 shows the numbers employed in Singapore at the end of March, 1953.

Of the total number of labourers employed, 109,278 were directly employed, and the remaining 6,352 were employed through contractors : 61 per cent of employed workers were Chinese, 22 per cent were Indians and 16 per cent Malaysians.

As the wide variety of trades practised suggests, there is an extensive range of technical skills available in Singapore. Because wages are usually fixed by heads of firms with their employees, and most firms are fairly small, it is difficult to provide representative statistics of wage-rates for various skills and industries. The following table attempts, however, to show wages in some representative occupations at the end of 1953 :—

NORMAL DAILY WAGES IN SELECTED OCCUPATIONS, 1953

Industry and Occupation	*Time or Piece Rates*	*Normal Daily Wages*				
		$	C.		$	C.
Rubber tapper	Piece	1	50	—	2	00
Brickworks:						
Clay getter	Piece	5	50	—	7	80
Brick cutter	Piece	5	50	—	7	00
Soap factories:						
Soap maker	Time	1	00	—	4	00
Engineering:						
Foreman	Time	8	00	—	10	00
Fitter	Time	4	50	—	9	00
Turner	Time	4	50	—	9	50
Welder	Time	3	80	—	9	00
Electrician	Time	5	00	—	6	80
General apprentice	Time	1	50	—	4	50
Textiles:						
Dyer	Time	3	00	—	4	00
Tanning:						
Tanner	Time	2	00	—	5	00
Tailoring and Dress Making:						
Cutter	Time	6	50	—	12	00
Sewer (male)	Time	3	20	—	6	60
Sewer (female)	Time	1	50	—	5	00
Rice Milling:						
General worker	Time	3	30	—	4	00
Oil Milling:						
Miller	Time	2	00	—	6	00
Carrier	Time	3	00	—	4	50
Pineapple Canning:						
Sorter (male)	Time	2	50	—	3	20
Washer	Piece	2	80	—	4	50
Cutter	Piece	5	60	—	7	60
Packer/Labeller	Piece	2	00	—	5	50
Sawmilling:						
Haulier	Time	7	30	—	12	90
Carrier	Time	3	00	—	6	70
Sawyer	Time	2	70	—	8	00
Building:						
Carpenter	Time	8	00	—	10	00
Mason	Time	9	00	—	10	00
Painter	Time	8	00	—	10	00
Steel worker	Time	7	00	—	8	50
Rubber Milling, etc.:						
Miller	Time	5	00	—	6	50
Selector (female)	Time	2	50	—	3	40
Packer (female)	Time	1	70	—	3	20
Government Employment*:						
Semi-skilled labour	Time	1	80	—	2	12
Specialist labour	Time	1	76	—	1	92
Unskilled male labour	Time	1	71	—	1	76
Unskilled female and juvenile labour	Time	1	43	—	1	48

* All Government wages are basic rates, and are subject to a cost of living allowance and a Singapore allowance, which increase earnings by 66–100%.

There were 133 registered trade unions of employees in 1953, with 73,566 members, of whom over 90 per cent were males. There were also four federations of trade unions. There were 43 unions of employers, with 5,240 members. There were eight joint consultative bodies, covering mainly government staffs, but also the lighterage industry, teachers and some other groups.

The Labour Department before the war was organised to cover the problems of the different races separately and did not cover Chinese labour, but after the war, labour administration was concentrated in one department, without consideration of race. The Department's functions include conciliation, with powers to refer trade disputes to an industrial court or a court of enquiry, the administration of the Workmen's Compensation Ordinance, Trade Union Advisory work and registration, the welfare of government employees, machinery inspection, and collection of statistics.

The Labour Department maintains an employment exchange. Nearly 20,000 persons registered for employment in 1953. About 10,000 vacancies were notified and 7,000 persons placed in employment.

LABOURERS GAINFULLY EMPLOYED, MARCH, 1953

Description of Industry	*Number Employed*				
	Adults		*Juveniles**		*Total*
	Male	*Female*	*Male*	*Female*	
Agriculture and livestock	1,081	769	160	144	2,154
Fishing	444	1	6	—	451
Mining and quarrying	1 343	97	19	2	1,461
Manufacturing†	37,347	10,143	1,994	1,416	50,900
Construction	13,652	1,584	173	52	15,461
Public utilities	5,317	25	17	—	5,359
Commerce	4,436	496	98	135	5,165
Transport, storage and communication ..	20,800	541	175	7	21,523
Government services	7,656	404	190	2	8,252
Other services (business, recreational, personal, etc.)	4,281	491	96	36	4,904
Total	96,357	14,551	2,928	1,794	115,630

* " Juveniles" in the above table covers persons under eighteen years of age.

† For details see above, page 52.

Co-operative Movement

The following table shows co-operative societies operating at the end of 1952 :—

CO-OPERATIVE SOCIETIES, 1952

Type of Society	*Number*	*Membership*	*Paid-up Share Capital*	*Loans Outstanding*	*Deposits*
			$	$	$
Thrift and Loan	24	14,338	3,883,089	1,708,128	630,626
Labourers' Credit	4	831	118,806	12,083	—
Thrift and Investment ..	12	2,290	7,685	—	107,236
General Purposes	1	71	—	—	4,772
Consumer	4	7,261	98,665	—	—
Housing	1	393	152,690	421,671	88,086
Urban Union	1	17 (societies)	—	—	—

The scope for co-operative development in Singapore is limited by the nature of the Colony's economy. This has developed largely on individualistic lines, and the preponderance of Chinese in the population has meant that the family has been the principal unit in economic organisations.

As the above table shows, the field in which co-operation has developed furthest is in thrift and loan societies. The main purpose of these societies is to enable members to save a portion of their monthly salaries regularly. In nearly all societies dues are deducted by the employer direct through the paysheet at the request of members who inform the society of the amount they wish to pay. The societies also make loans for specific purposes. Of loans amounting to $2·4 million made in 1952, $0·9 million was for confinement and medical expenses, $0·55 million for building and repairing houses, and $0·3 million for purchase of furniture.

Of the twelve thrift and investment societies, seven mainly consist of fishermen, and the other five mainly of labourers, office peons, motor-car drivers and gardeners living near the City. The consumers' societies are of unequal efficiency, but the movement is growing gradually. Sales in co-operative stores in 1952 were valued at about $700,000.

Fuel, Power and Water

Public utilities in Singapore are operated by the City Council. All fuel is imported, but on the whole power supplies are adequate and moderately priced.

Electricity.—Until 1952 there was one main power station in operation—the St. James Power Station—with a capacity of 37,000 kW. A new 150,000 kW. power station is under construction at Pasir Panjang. This is designed to comprise six 25,000 kW. turbo-alternators. By 1953, two turbo-alternators with a capacity of 50,000 kW. were in operation. Distribution of electricity to the inner city is a three-wire D.C. network operating at 230–460 volts. The supply for the outer city and rural areas is 3 phase 4 wire 50 cycles A.C. at 230 and 400 volts.

The following table shows production and sales of electricity in 1938 and since the war :—

ELECTRICITY PRODUCTION AND SALES

('000 units)

Year	*Electricity Generated*	*Electricity Sold*				
		Private Lighting	*Industrial Power*	*Cooking and Heating*	*Other*	*Total*
1938	53,344	16,286	24,944	3,624	588	45,442
1946 (April–December)	63,841	20,406	28,075	4,367	137	52,984
1947	105,687	33,206	43,370	8,913	309	85,789
1948	126,360	35,909	54,276	13,730	538	104,455
1949	158,385	37,589	71,756	18,698	1,188	129,133
1950	186,769	40,736	88,052	26,692	2,123	157,604
1951	208,599	41,976	95,294	34,480	2,529	174,279
1952	215,995	44,810	96,382	41,103	1,608	183,902
1953	281,000	53,184	126,998	53,170	3,874	237,226

As the above table shows, production and consumption of electricity have quadrupled since before the war. The largest proportionate increase in consumption has been by domestic electrical appliances, but there has also been a more than fourfold increase in industrial power consumption.

Electricity rates at the end of 1953 were 17¾ cents per unit for domestic lighting and fans and 6 cents per unit for other domestic purposes. Ordinary power rates were 6 cents per unit for the first 5,000 units per month, 4¾ cents for the next 20,000 units, and 3½ cents for the remainder. There were 58,371 consumers at the end of 1953.

REVENUE AND EXPENDITURE OF ELECTRICITY DEPARTMENT

($'000)

Year	*Revenue*	*Ordinary Expenditure*	*Loan Expenditure*
1952	15,368	16,594	22,083
1953 (Revised Estimate)	18 775	23,231	32,928
1954 (Estimate) ..	23,178	25,819	23,299

The greater part of loan expenditure is on the Pasir Panjang power station and on extensions of the electricity supply.

Gas.—The capacity of installed gas plant in 1953 was approximately 2 million cubic feet per day. The following table shows production of coal gas since 1946 :—

PRODUCTION OF COAL GAS

Year	*'000 cu. ft.*
1946 (April–December)	153,932
1947	226,624
1948	255,462
1949	315,731
1950	357,155
1951	423,354
1952	475,840
1953	536,236

Output of coal gas has more than doubled since 1947. There were over 10,000 consumers in 1953. Tariffs vary from $6·20 to $7 per 1,000 cubic feet.

REVENUE AND EXPENDITURE OF GAS DEPARTMENT

($'000)

Year	*Revenue*	*Ordinary Expenditure*	*Loan Expenditure*
1952	3,587	4,319	394
1953 (Revised Estimate)	4,001	4,248	524
1954 (Estimate) ..	4,421	4,606	852

Water.—Singapore obtains its water supply from catchment areas and impounding reservoirs on the Island and in South Johore. Consumption of fresh water in 1953 was 15,365 million gallons. A new water supply scheme is in course of construction on the Tebrau River, which should more than double the available water supply (see below, page 62).

WATER SUPPLY— CITY OF SINGAPORE

(Million gallons)

1948	11,340
1949	11,425
1950	11,886
1951	13,005
1952	13,987
1953	15,365

REVENUE AND EXPENDITURE OF WATER DEPARTMENT

($'000)

Year	*Revenue*	*Ordinary Expenditure*	*Loan Expenditure*
1952	10,924	11,007	6,687
1953 (Revised Estimate)	12,574	13,162	9,790
1954 (Estimate) ..	14,391	14,362	11,970

The main item under loan expenditure is the Tebrau River scheme. Other supply extension schemes are also included.

III. FINANCE AND TRADE

Public Finance

Central Government Finance

The public revenue and expenditure of the Government of Singapore since 1946 is shown in the following table :—

REVENUE AND EXPENDITURE, 1946–1954

($'000)

Year	*Revenue*	*Expenditure**
1946	29,499	24,353
1947	77,968	51,824
1948	81,270	74,242
1949	108,782	94,257
1950	114,016	97,117
1951	175,296	127,397
1952	210,562	167,754
1953 ..	238,519	169,731
1954 (Revised Estimate) ..	216,636	203,125

* Excluding expenditure from the 1946 Rehabilitation Loan.

Singapore, as a free port, has no general import tariff. The main sources of revenue are duties on intoxicating liquor, tobacco and petroleum products, and income tax. It is estimated that these sources accounted for 69 per cent of revenue in 1953. The following table shows public revenue and expenditure in the three years 1952–54 by main classes:—

PUBLIC REVENUE AND EXPENDITURE, 1952–54

($'000)

	1952	1953	1954 (*Estimate*)
Revenue			
Income Tax	72,760	103.217	70,000
Liquor Duty	22,146	21,522	21,000
Petroleum Duty	14,006	15,124	15,100
Tobacco Duty	33,728	34,396	33,000
Entertainments Duty ..	5,232	5,379	5,300
Estate Duty	4,578	3,999	3,500
Totalisator and Sweepstakes	4,206	3,914	3,800
Licences and other Internal Revenue ..	7,765	8,298	8,235
Contribution by Federation of Malaya and Borneo Territories for joint services		3,338	3,684
Fees of Court, payment for other specific services, etc.	15,648	8,217	10,702
Post Office	12,531	10,134	9,915
Telecommunications ..		3,448	3,404
Rents on Government Property	3,073	2,944	3,208
Interest	5,810	8,128	8,927
Miscellaneous	8,856	5,078	4,557
C.D. & W. Grants ..	224	1,082	10,112
Total	210,562	238,519	214,743*

* Error due to rounding off.

	1952	1953	1954 (*Estimate*)
Expenditure			
Public Debt Charges ..	5,950	5,950	5,950
Pensions, Gratuities, etc.	5,277	6,509	7,160
Administration†	11,263	11,783	12,763
Productive and Commercial Services‡	1,177	1,500	2,161
Education	15,401	17,422	27,473
Medical and Health ..	14,973	16,617	22,522
Social Welfare	3,491	5,484	5,867
Defence	6,760	7,775	16,950
Police and Prisons ..	22,579	22,790	25,905
Public Works Department	1,839	2,932	4,179
Public Works Recurrent	5,676	5,092	5,345
Public Works Non-Recurrent	8,076	9,988	26,257
Civil Aviation	8,440	5,264	7,608
Postal Services	6,809	7,272	8,716
Telecommunications ..	3,076	4,183	8,083
Colonial Development and Welfare Schemes	541	4,029	10,112
Miscellaneous	46,426	35,141	43,501
Total	167,754	169,731	240,522

† Including Commissioner-General, Governor, Colonial Secretary, Audit, Chinese Secretariat, Customs and Excise, Estate Duty and Stamp Offices, Immigration and Passports, Income Tax, Legal, Printing Office, Public Relations, Public Services Commission, Statistics and Treasury.

‡ Agriculture, Fisheries, Forestry, Veterinary, Foreign Exchange Control and Imports and Exports Control. All these were merged into the activities of the Department of Commerce and Industries in the 1954 budget.

As the above table shows, expenditure on productive services (*e.g.* agriculture fisheries, mining and forestry) forms a very small part of total expenditure; the major items of expenditure are social services, defence and public order, communications and public works. The expenditure figures under-estimate the social services items, because "Public Works Non-Recurrent" include development work on schools and hospitals (see also below, page 62).

The following table gives the financial position of the Singapore Government at the end of 1953:—

ASSETS AND LIABILITIES, 1st JANUARY, 1954

Principal Liabilities	($'000)
Unexpended Portion of 1946 Loan	9,934
Special Reserve Fund	100,000
Development Fund	50,000
Insurance Companies	5,575
Other Funds and Miscellaneous items	86,982
General Revenue Balance	172,041
Total	424,532

Principal Assets	($'000)
In Cash Investments	39,380
Sterling Securities	29,805
Other Investments	176,559
Advances	101,759
Loans :—	
Singapore City Council	8,621
Singapore Harbour Board	14,126
Singapore Improvement Trust	43,945
Kelantan Government	4,733
Trengganu Government	2,560
Penang Harbour Board	2,190
Other Loans	853
Total	424,532

The Public Debt at the end of 1953 was $115 million made up as follows:—

PUBLIC DEBT, END OF 1953

Title of Loan	*Amount* ($'000)	*Date of Raising*	*Sinking Fund* ($'000)	*Remarks*
Straits Settlements 3% Loan, 1962/72	30,000	1936	8,321	Repayable by Singapore and Penang Harbour Boards.
Straits Settlements 3% War Loan, 1952/59	25,000	1940	14,754	Remitted to the Imperial Government as a free gift for the prosecution of the war.
Straits Settlements 3% War Loan, 1953/60	10,000	1941	5,317	
Singapore 3% Rehabilitation Loan, 1962/70	50,000	1946	13,566	
Total	115,000		41,959	

All the above loans were raised locally by public subscription.

The $50,000,000 Rehabilitation Loan was raised in 1946 to meet extraordinary commitments arising out of the enemy occupation or connected with the economic rehabilitation of the Colony. By the end of 1953 it was estimated that expenditure out of these loan funds totalled $40,517,311, of which the major items are shown in the following table:—

ESTIMATED EXPENDITURE FROM 1946 LOAN UP TO END OF 1953

	$'000
Public Debt Charges	2,604
Pensions, Gratuities, etc.	2,689
Medical and Health Services	976
Arrears of Pay, Grants, etc. to Volunteers, Internees, etc.	10,904
Back Pay to Non-Interned Government Servants	5,080
Claims for Goods and Services supplied before the Occupation	3,287
Public Works Extraordinary	6,456
Telecommunications	934
Malaya (Unallocated) Account	2,251*
Passages for Evacuees	1,167
Other	4,169
Total	40,517

* Mainly food subsidies and other trading losses.

Taxation.—There is no general revenue tariff. Duties are imposed on liquor, petroleum and tobacco. The duty on petroleum is 68 cents per gallon, and that on kerosene is 5 cents per gallon. The tobacco and liquor duties are as follows:—

DUTIES ON INTOXICATING LIQUORS

Item	*Unit*	*Duties*		
		Full	*Preferential*	*Excise*
		$ C.	$ C.	$ C.
1. Rectified spirit	p.g.	52 50	—	—
2. Brandy	p.g.	61 50	53 80	—
3. Brandy in bottle not exceeding 81 per cent proof spirit	g.	48 00	42 00	—
4. Rum and Gin	p.g.	52 50	—	—
5. Rum and Gin in bottle not exceeding 81 per cent proof spirit	g.	37 50	—	—
6. Whisky	p.g.	61 50	—	—
7. Whisky in bottle not exceeding 81 per cent proof spirit	g.	48 00	—	—
8. Other intoxicating liquors	p.g.	—	—	43 75
9. Toddy-arrack, Saki, Pineapple spirit and Samsu (including Medicated Samsu)	p.g.	27 00	—	24 00
10. Bitters and Liqueurs not exceeding 100 per cent proof spirit	g.	52 50	—	—
11. Sparkling wines not exceeding 42 per cent proof spirit	g.	40 00	30 00	—
12. Still wines exceeding 26 per cent but not exceeding 42 per cent proof spirit	g.	15 00	11 25	—
13. Still wines not exceeding 26 per cent proof spirit	g.	7 50	5 60	—
14. Ale, Beer, Stout, Porter, Cider and Perry ..	g.	4 00	3 60	3 60

p.g. = Proof gallon g. = gallon

DUTIES ON TOBACCO

Item	*Unit*	*Duties*	
		Full	*Preference*
		$ C.	$ C.
1. Cigars and snuff	per lb.	11 00	10 00
2. Cigarettes	per lb.	6 70	6 20
3. Unmanufactured tobacco ..	per lb.	4 40	4 20
4. Manufactured tobacco—imported in containers of any kind for retail sale to the public	per lb.	6 90	6 70
5. Manufactured tobacco (excluding cigars, cigarettes and snuff) not otherwise provided for	per lb.	2 50	—

Income tax was introduced in 1948. The tax is levied under the Income Tax Ordinance of 1947 as subsequently amended. The rates of tax are the same as those in force in the Federation of Malaya (see above, page 37). Both taxes are administered by the Malayan Board of Income Tax.

Income tax collected in 1953 totalled $114,998,000. Of this $23,336,000 was transferred to the Federation of Malaya in respect of combined income cases, and $4,226,000 was repaid, leaving net collections of income tax at $87,396,000. Of the total tax payable amounting to $118 million, $28·4 million was in respect of individuals, $88·4 million was in respect of companies, and $1·3 million in respect of trusts, clubs and associations, and Hindu joint families.

Estate duty is levied on the capital value of property which passes on death. The rates of duty form a graduated scale rising from 1 per cent on estates of over $1,000 to 40 per cent on estates valued at over $5 million.

Local Authorities Finance

There are two local authorities in Singapore—the Singapore City Council and the Singapore Rural Board.

The major item of the City Council's Revenue is a rate (at 30 per cent in 1953) on the assessed annual value of property in the City. This annual value was estimated at $47,897,000 at the end of 1953. There are also Improvement Rates and Education Rates at 2 per cent each. The following table shows the major items of City Council Revenue in 1953 (excluding the Trading Departments, i.e., Electricity, Gas and Water Departments).

CITY COUNCIL REVENUE, 1953

Source	$ '000
Fees for Services	4,538
Fines	497
Licence and Permit Fees	1,497
Costs, Charges to Trading Departments	1,775
Rents, Wayleaves, etc.	1,014
Consolidated Rate	13,731
Contribution in lieu of Rates	1,970
Contribution to Rates Fund by Trading Departments	530
Road Traffic Licences (*a*)	5,317
Other Licences	436
Royalty and Contribution under Singapore Traction Ordinance	783
Municipal Taxes	387
Miscellaneous	878
Total	43,552

(*a*) Net of contribution to Rural Board.

The following table shows expenditure from the City Council's Consolidated Rate Fund in 1952–4. This does not cover the trading departments, whose revenue and expenditure is shown above (see page 56), or certain subsidiary self-balancing items.

SINGAPORE CITY COUNCIL EXPENDITURE, 1952–54
($'000)

Department or Heading	1952	1953	1954 (*Estimate*)
President and City Councillors	277	245	276
Architect and Building Surveyor	2,125	1,917	2,738
Assessment and Estates ..	358	381	408
City Cleansing and Hawkers ..	4,507	4,509	4,912
City Engineer	9,490	9,814	13,809
Fire	1,509	1,775	2,072
Health Officer	4,164	4,350	6,529
Secretariat	427	556	642
Treasury	1,556	1,727	1,834
Vehicles	751	775	957
Veterinary Surgeon	221	386	346
Other	878	352	431
Total	26,423	26,871	34,954

Among the foregoing departmental expenditure, the main individual items in 1954 are estimated to be sewerage ($6·6 million), refuse collecting and street cleaning ($2·7 million), maintenance of roads, bridges and backlanes ($2·8 million), surface water drainage ($2·1 million), nightsoil collection and disposal ($1·0 million) and anti-mosquito measures ($1·0 million). Of total estimated ordinary expenditure in 1954 amounting to $35 million, $9·5 million was for personal emoluments, $14·1 million for other annual recurrent charges, $1·4 million for loan charges, and $10·0 million for special services.

The Singapore City Council has financed development works for its trading departments (electricity, gas and water) out of loans, but only a small proportion of loans raised have been used for other activities. Loan expenditure on non-trading activities was $0·9 million in 1952, $1·8 million in 1953 and $0·3 million in 1954 (estimate). The main projects financed by loan have been the building of a new fire station and staff housing.

The City Council's Public Debt at the end of 1953 was as follows:—

SINGAPORE CITY COUNCIL PUBLIC DEBT, END OF 1953

Description	*Amount* ($'000)
4½% Singapore Municipal Debenture Stock, 1955 ..	688
4% Singapore Municipal Debenture Stock, 1963, Series B	1,528
5% Singapore Municipal Debenture Stock, 1956/1966	22,000
4½% Singapore Municipal Debenture Stock, 1970/1980	6,000
3% Singapore Municipal Debenture Stock, 1958 ..	4,000
3% Singapore Municipal Debenture Stock, 1962 ..	2,750
3% Singapore Municipal Debenture Stock, 1975/1985	4,000
4% Singapore Municipal Debenture Stock, 1959 ..	5,000
3¼% Singapore Municipal Debenture Stock, 1968/1973	30,000
3¾% Singapore Municipal Debenture Stock, 1961/1971	25,000
5% Singapore City Council Debenture Stock, 1962/1972	25,000
4¼% Singapore City Council Debenture Stock, 1963/1973	10,000
4¾% Singapore City Council Debenture Stock, 1963/73	20,000
4% Singapore Municipal Debenture Stock, 1963, Series B	2,571
3% Government of Singapore Loan, 1949	9,052
Total	167,589

The main sources of the *Singapore Rural Board's* revenue are grants from the Singapore Government, rates (mainly on houses, but also on land and rubber estates), vehicle taxes, licences and fees. The following table shows the main items of estimated revenue and expenditure in 1954:—

SINGAPORE RURAL BOARD: ESTIMATED REVENUE AND EXPENDITURE, 1954

$'000

Revenue		*Expenditure*	
Rates	1,050	Health:	
Vehicle Taxes	750	Recurrent	1,023
Licences	144	Special Expenditure	112
Fees*	373	General:	
Others	325	Recurrent† ..	1,059
Government Contribution:		Special Expenditure	498
Annually Recurrent	275	Public Works:	
Special Expenditure	3,308	Maintenance of roads and bridges ..	430
		Other recurrent ..	404
		Special Expenditure	3,273
Total	6,224	Total	6,799

* Mainly petroleum storage fees.

† Over a half of this consists of reimbursement to the Government on account of salaries of Government officers wholly employed on Rural Board duties.

The activities of the Rural Board have expanded greatly during the past few years. Estimated expenditure in 1954 is nearly double expenditure in 1952, and nearly four times expenditure in 1950.

The other major body with local financial responsibilities is the *Singpore Improvement Trust* (for details see above, page 47). The following table shows its revenue and expenditure in 1953:—

SINGAPORE IMPROVEMENT TRUST: ESTIMATED REVENUE AND EXPENDITURE (REVENUE ACCOUNT), 1953

($ '000)

Revenue		*Expenditure*	
Improvement Rate ..	1,157	Personal Emoluments	1,439
Government Contribution	1,084	Administration ..	685
Rents and Charges ..	4,537	Management of Property	2,681
Reimbursements ..	144	Back Lanes	166
Sale of Land	151	General Improvement Plan	109
Hire of Machinery ..	200	Loan Charges ..	1,668
Miscellaneous	54	Housing, Development and Improvement Schemes	41
		Constructional Plant and Machinery ..	400
Total	7,327	Total	7,189

Loan charges, met from the Net Revenue Account, totalled $1,066,000 in 1952.

Expenditure on Loan Account Schemes for 1948 to 1953 was as follows:—

EXPENDITURE ON LOAN ACCOUNT SCHEMES

Year	$'000
1948	2,306
1949	3,102
1950	6,944
1951	11,261
1952	14,257
1953	11,595

Loan finance is supplied by the Government of Singapore.

Currency and Banking

The unit of currency is the Malayan dollar, valued at 2s. 4d. For further details of the Malayan currency, see Appendix 4, page 159.

Singapore is the centre of the Malayan banking system. There were in 1952 twenty-four members of the Malayan Exchange Banks Association. These included British and Indian banks, banks with head offices in Hong Kong, local Chinese banks, as well as American, Netherlands and French banks. Between them they undertake almost every type of banking business and conduct a world-wide banking service.

The main activity of the Malayan banks is financing the country's import and export trade. All local banks advance against the security of goods awaiting shipment, against the hypothecation of imported goods in their own or their clients' custody, against Government and quasi-Government (*e.g.* City Council) securities, and against other property. Sound borrowers readily obtain loans or advances if finance is required in relation to the export or import trade.

The other main function of Malayan banks is the buying and selling of foreign currencies (including sterling). Local authorised banks are responsible to the Controller of Foreign Exchange for the acquisition by the sterling area of the proceeds of the sale of goods exported from Malaya to hard currency areas, and may sell hard currencies against import licences. They may also deal in some non-dollar non-sterling currencies without prior approval by the Exchange Control authorities.

The banks have also taken up large blocks of central and local government securities, and have absorbed important proportions of local issues, especially by the Singapore City Council.

The table on page 60 shows statistics of the operations of Malayan banks between 1947 and 1953. It also shows how both deposits and advances rose steeply during the period of the rubber and tin price boom. Loans and advances reached their peak in March, 1951, when they were more than $720 million.

MALAYAN BANKING STATISTICS
(Federation of Malaya and Singapore)
(Million $)

End of Year	*Assets*						*Liabilities*					*Volume of Operations (Monthly Averages or Calendar Months)*	
	Cash	*Treasury Bills*	*Investments*	*Loans and Advances*	*Balances due from Banks Abroad*	*Overseas Investments*	*Demand Deposits*	*Fixed Deposits*	*Savings Accounts*	*Margins held and Sundry Deposits*	*Balances due to Banks Abroad*	*Cheques sent out for Clearing*	*Debits to Current Deposit Accounts*
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1947	115·7	29·9	97·7	223·3	241·0	11·9	561·0	40·7	32·1	(a)	38·0	*	*
1948	97·5	30·4	110·5	259·3	246·6	16·4	581·5	44·4	36·5	(a)	54·2	*	*
1949	90·9	7·2	109·6	335·9	206·3	27·6	564·9	68·6	37·6	(a)	44·7	*	*
1950	112·5	22·8	116·7	461·1	432·1	20·6	864·9	113·1	42·3	(a)	90·2	*	*
1951	104·8	26·0	124·7	450·7	652·9	28·2	1,054·3	126·0	59·0	(a)	58·6	1,904·8	2,262·1
1952	151·8	14·5	137·1	483·9	539·0	35·1	989·2	142·6	80·3	(a)	54·2	1,471·4	1,924·4
1953	113·8	10·5	142·7	437·2	511·2	39·3	835·0	148·8	101·1	22·5	59·6	1,222·5	1,723·6

(a) Included in column (10). * Not available.
Column (2). Malayan currency notes and coins only.
„ (5). Including bills locally drawn and discounted (excluding balances due by other banks).
„ (8). Current accounts and sight deposits (excluding balances due to other banks).
„ (14). Excluding cheques received through local clearing.

Deposits reached their peak in August, 1951, at $1,153 million. These increases reflected the growing demand for capital to finance the rubber trade resulting from the rise in rubber prices, and the increase in export and trading incomes. Thereafter both deposits and advances fell, although the fall in advances lagged behind the fall in deposits.

For details of the Singapore Post Office Bank, see above, page 48.

Private Investment

Statistics relating to Malaya as a whole have been given in the section on the Federation of Malaya (above, page 39). No complete statistics for Singapore have been calculated. Capital construction works valued at over $340,000 each completed in 1951 and 1952 totalled over $14 million.

1,245 companies and 20,894 firms or businesses were registered in the Colony at the end of 1953. The number of local and foreign companies registered yearly since 1938 were as follows:—

COMPANIES REGISTERED, 1938–52

Year	*Local*	*Foreign*
1938	57	26
1939	52	22
1940	45	19
1941–2	50	19
1946	114	16
1947	183	57
1948	126	38
1949	111	25
1950	125	25
1951	156	28
1952	133	31

National Income

No figures are avilable for the national income of Singapore apart from Malaya as a whole. For Pan-Malayan national income figures, see above, page 39.

Prices and Standard of Living

As a result of the 1950–51 boom, and consequent rises in income, there was a sharp rise in the cost of certain classes of consumer goods and services. The following table shows the increase in retail prices since 1939 for Europeans and Asians:—

RETAIL PRICE INDEX NUMBERS

(End of Years—1939 = 100)

Group	Weights (1939)	Index Numbers		
		1951	1952	1953
European Standard				
Food and Groceries	15·9	370·5	364·0	355·4
Liquors, Aerated Water, Tobacco	6·1	285·7	277·8	279·4
Servants	17·0	237·4	279·7	279·7
Light and Water ..	2·4	128·5	128·5	133·1
Transport	6·1	226·1	219·7	206·7
Education	21·2	154·2	167·3	168·2
Clothing	7·8	369·5	341·9	341·9
Clubs	7·5	215·4	217·3	218·1
Rent	16·0	126·9	126·9	126·9
All Items ..	100·0	231·5	237·6	235·9
Asian Standard				
Food and Groceries	39·1	491·1	474·3	460·1
Tobacco	2·7	300·0	300·0	300·0
Servants	12·5	237·3	279·6	279·6
Light and Water ..	4·5	184·2	184·2	178·9
Transport	8·4	226·1	219·7	206·7
Education	8·7	211·4	207·5	203·8
Clothing	8·1	625·9	619·6	594·8
Rent	16·0	116·2	116·2	116·2
All Items ..	100·0	344·7	342·0	332·8

The standard of living in Singapore is high by Asian standards. The most serious shortcoming is housing conditions—a result of the rapid growth of the city and high price of land. In general, incomes are more stable than in the purely agricultural countries of the region, and there has been little serious unemployment during recent years.

Balance of Trade and Payments

No comprehensive meaningful trade and payments figures can be given for Singapore in isolation from Malaya as a whole. An analysis of Pan-Malayan trade and payments is given below (see Appendix 1, page 153). The following is only a brief separate account of Singapore's trade.

Singapore handles about three-quarters of Malaya's imports and about two-thirds of her exports. The following table shows imports and exports of Singapore since 1947 (except trade with the Federation of Malaya):—

SINGAPORE
FOREIGN IMPORTS AND EXPORTS,
1947–1953
($'000)

Year	*Imports*	*Exports*
1947*	1,045,896	813,297
1948*	1,300,342	1,113,120
1949	1,315,615	1,056.870
1950	2,144,777	2,535,328
1951	3,624,923	4,097,953
1952	2,869,647	2,692.543
1953	2,343,206	2,692,543

* Excluding parcel post.

The following table shows the main imports and exports of Singapore in 1953 (excluding trade with the Federation of Malaya):—

TRADE IN MAIN COMMODITIES, 1953*
($'000)

	Imports	*Exports*
Condensed milk	36,918	7,436
Fresh fish	27,183	24,451
Rice	164,434	28,210
Wheat flour and meal	27,162	3,434
Fruits and nuts (fresh)	30,085	4,452
Vegetables (fresh dry)	32,603	6,377
Sugar	32,483	3,529
Spices	64,937	72,818
Animal feeding stuffs	37,021	4,787
Tobacco manufactures	55,697	21,055
Oil seeds, nuts and kernels ..	47,504	38,798
Crude rubber	293,258	741,818
Petroleum products	533,889	343,592
Vegetable oils	3,269	33,209
Woven cotton fabrics	104,131	69,767
Other textile fabrics	39,572	20,069
Iron and steel manufactures ..	49,752	25,490
Tin	153	172,341
Industrial machines	34,327	9,744
Electrical equipment	36,019	12,516
Road motor vehicles	40,582	18,676
Clothing (except fur)	25,114	7,338
Ships and aircraft stores ..	—	106,847

* Excluding trade with the Federation of Malaya.

As the above table shows, Singapore's principal imports are the same as her principal exports. Although this does not show the full extent of the Colony's entrepôt position, since it excludes trade with the Federation, it is a useful indication of the nature of that trade.

Information concerning the Colony's entrepôt trade is given above (see page 53). No separate estimate is available concerning the value of the Colony's domestic exports or retained imports.

IV. DEVELOPMENT

Public Development

Public development in Singapore is carried out by the Government, the City Council and bodies such as the Singapore Harbour Board and the Singapore Improvement Trust. The City of Singapore has grown up as a result of private enterprise; Government's part in its development has been essentially one of non-interference, while it has provided the basic facilities and security which were necessary for economic growth. This fundamental approach is still at the root of current public development planning in Singapore. The role of Government is conceived as being that of providing the framework for economic development rather than promoting such development directly itself. In current public development plans in Singapore, direct economic development therefore plays only a small part: the greater part of expenditure is devoted to social services, which account for nearly 60 per cent of total planned expenditure; fuel and power supplies, which account for about 21 per cent; and transport and communications, which account for 13 per cent. The following table shows planned development expenditure under the main types of scheme as at the end of 1953, as well as expenditure on schemes up to that date:—

SINGAPORE: MAJOR PROJECTS IN DEVELOPMENT PROGRAMME

	Date (or Est. Date) of Commencement	*Date (or Est. Date) of Completion*	*Total Est. Cost* ($'000)	*Expenditure to end* 1951 ($'000)	*Expenditure* 1952 ($'000)	*Estimated Expenditure* 1953 ($'000)
Agriculture	—	—	4,405	—	—	737
Transport and Communications: ..						
New International Airport ..	1952	1956	37,700	—	3,201	12,500
New Graving Dock	1952	1956	6,000	—	600	1,500
Wharf Extension	1953	—	30,000	—	—	50
Road Development	1952	—	5,500	—	13	374
Post and Telecommunications ..	1952	1956	2,482	—	207	946
Fuel and Power:						
New Power Station, etc.	1950	1960	129,150	19,446	20,722	37,332
Gas works, Coal Handling plant, etc.	1950	1955	3,887	1,102	417	1,059
Total Fuel and Power	—	—	133,037	20,548	21,139	38,391
Social Services:						
Housing	1950	1960	189,361	27,382	22,319	30,850
Water Supplies	1950	1957	71,660	14,733	8,255	12,758
Health	1950	1960	64,361	6,344	4,112	7,935
Education	1951	1960	57,066	2,000	2,343	5,453
Total Social Services	—	—	382,448	50,459	37,029	56,996
Other Schemes:						
Raffles Quay and Telok Ayer Reclamation and Development Scheme	1952	—	26,280	—	765	300
Construction and Improvement of Main Outlet Drains and Canals	1950	1957	5,000	430	118	278
Others	—	—	11,137	606	1,233	2,098
Grand Total	—	—	643,043	72,043	64,305	114,170

As the above table shows, the main emphasis in social services is on housing. Of the $189 million planned expenditure on housing, $19 million is City Council housing, $106 million is Singapore Improvement Trust housing, $5 million is for a Singapore Improvement Trust clearance and redevelopment scheme, and $59 million for Government housing. Details of the Singapore Improvement Trust's activities are given above, page 47.

The main water supply project is the Tebrau River Scheme, which is planned to yield an average of 50 million gallons of water per day from supplies originating in the State of Johore in the Federation of Malaya. The health programme includes the extension of water-borne sewerage, and a wide expansion of medical facilities, including the expansion of the General Hospital to 1,000 beds and the completion of a new out-patients' division there, the provision of a new 790-bed District Hospital, the construction of new wards to other hospitals, extending a Leper Settlement and the provision of further medical and dental clinics and infant welfare centres. The Education Plan covers the construction of three new regional schools, five secondary schools, twelve secondary-cum-technical schools, eighty-seven primary schools and four other schools.

Under communications, the main scheme is the construction of a new international airport at Paya Lebar. The main runway is to be 8,000 feet in length and is designed to meet all foreseeable requirements of future types of aircraft. It is anticipated that the airport will be completed by 1956, but that aircraft will be using it by 1955. The new graving dock will take vessels and tankers up to 600 feet in length.

One of the largest individual schemes is the construction of a new power station with an associated extension of electrical services. The new station is planned to have a capacity of 150,000 kW., comprising six 25,000 kW. turbo-alternators and nine boilers. By the end of 1953 the first two of the turbo-alternators and four boilers were in service. This additional supply has already more than doubled the power supplies available in the Colony.

The Singapore Government's development has been entirely financed out of revenue and Colonial Development and Welfare Grants and Loans. Singapore's allocation from Colonial Development and Welfare Funds, amounting to £600,000 ($5·1 million) was almost all committed to schemes by the end of 1953. Schemes which are being financed from C.D. and W. funds include the new graving dock, 30 per cent of the cost of which is coming for an interest-free C.D. and W. loan, and the fisheries research station. A third of the cost of the International Airport is being met from the joint Singapore-Federation of Malaya C.D. and W. allocation.

The Singapore Improvement Trust's development plans are being financed mainly through loans from the Singapore Government. Loans by the Singapore Government to the Trust outstanding at the beginning of 1954 amounted to about $43 million and a further $15 million was committed. Loans for development have also been made to the Harbour Board ($14 million) and the City Council ($9 million).

The greater part of the City Council's development schemes are being financed from loans. Details of loans raised and loan expenditure are given.

The following table summarises the expenditure of Government and other public authorities on development in 1953 and 1954.

PUBLIC AUTHORITIES' DEVELOPMENT EXPENDITURE

($'000)

	1953	1954 (*Est.*)
Government (*a*)	22,494	43,460
City Council Revenue Budget	13,842 (*b*)	15,699
City Council Loan Budget ..	44,724 (*b*)	36,433
Singapore Improvement Trust	11,595	21,500
C.D. & W. Schemes	1,082	10,112
Singapore Harbour Board ..	4,020 (*c*)	7,250 (*d*)
Total	97,757	134,454

(*a*) Excluding amounts lent to Singapore Improvement Trust.
(*b*) Revised Estimates.
(*c*) 1953/54.
(*d*) 1954/55.

Other Development

By far the greater part of development of productive resources in Singapore is carried out by private enterprise. During the past few years there has been a very considerable expansion both in manufacturing industries and in the provision of services. Recent industrial expansion has been mainly of light industries. Factories were established between 1950 and 1953 for the manufacture of plywood and cane products, metal boxes, roofing tiles, canned foodstuffs, edible oils, biscuits, yarn, boot polish and rope. Paint and glass factories have extended their operations. Plans were approved in 1953 for erecting a soft-drink bottling plant. There was, however, a slight recession in industrial development in 1953 associated with the general fall in raw material prices and incomes in Malaya.

An important long-term development in this field has been the establishment by the Colonial Development Corporation of an industrial estate at Bukit Temah, to the north-west of the City of Singapore. The purpose of the scheme is to encourage the development of secondary industries by making factory sites available in an area accessible to road and rail, and lending part of the cost of factory construction in special cases. Manufacturers buy sites from the Corporation for cash, undertaking to start erection of an approved factory within six months. If the Corporation lends money, the maximum loan is two-thirds of the cost of the land and factory buildings. In the case of specialised factory buildings, the maximum loan is 50 per cent. Payment of interest at 6 per cent. per annum and amortisation are made in equal quarterly instalments over ten years. Factories erected on the site with the help of C.D.C. loans include a textile mill and an edible oil factory.

V. MISCELLANEOUS

Weights, Measures, etc.

For details of weights and measures peculiar to the area, see Appendix 3, page 159. Imperial weights and measures are mainly used in international trade.

Representation in London

The Governments of Singapore and the Federation of Malaya are represented in London by a Commissioner, at the following address :—

Commissioner for Malaya in the United Kingdom,
Malaya House,
Trafalgar Square,
W.C.2.

HONG KONG

I. GENERAL BACKGROUND

Geographical and Climatic Features

Hong Kong lies just within the tropics, on the south-eastern coast of the Chinese Province of Kwangtung, and east of the Pearl River estuary. The Colony includes Hong Kong Island (32 square miles), on which is situated the capital City of Victoria, the ceded territory of Kowloon (3¼ square miles), Stonecutters Island (¼ square mile), and the New Territories which consist of the remainder of the mountainous peninsula of Kowloon, together with numerous islands (355 square miles) leased from China on 1st July, 1898, for 99 years. The total area of the Colony is thus roughly 391 square miles, a large proportion of which is steep and unproductive hillside. The leased territories include also the waters of Deep Bay to the west and Mirs Bay to the east.

Hong Kong Island is 11 miles long from east to west and varies in width from 2 to 5 miles. It rises steeply from the northern shore to a range of treeless hills of volcanic rock of which the highest point is Victoria Peak (1,823 feet) near the western end. Between these hills and the harbour lies the city of Victoria. The oldest part of the urban area ran up the steep hillside for hundreds of yards in narrow stepped streets and terraces, but the modern town stands mostly on a strip of reclaimed land averaging 200–400 yards wide which extends 9 miles along the southern shore of the harbour from Sulphur Channel to Lyemun Pass.

Between the island and the mainland of Kowloon lies the harbour, a natural and almost landlocked anchorage about 17 square miles in area, and of a width varying from one to three miles. The entrance from the east is by a deep water channel through Lyemun Pass, 500 to 900 yards wide. On the western side, the harbour is protected by a group of islands pierced by channels of various depths. The largest of these islands is Lantau which is more than twice the size of Hong Kong Island. This harbour, lying midway between the main ports of Haiphong in Indo-China and Shanghai at the mouth of the Yangtze River, has become the gateway to South China and has grown to be one of the greatest seaports in the world.

The ceded territory of Kowloon originally consisted of a number of low dry foothills running southward from the escarpment of the Kowloon hills in a V-shaped peninsula two miles long and nowhere more than two miles wide. Most of these foothills have now been levelled and the soil used to extend the area by reclamation. The town of Kowloon now covers the whole of this peninsula and a part of the leased territory to the north of it. It contains the Colony's main industrial area, one of the two principal commercial dockyards, wharves for ocean-going ships, and a large residential suburb. The terminus of the Kowloon-Canton Railway, which connects at Canton with the network of the Chinese railways, is at the extreme southern tip of the peninsula. The Unicorn range of hills, even more precipitous though less high than those on the island, forms a barrier between Kowloon and the remainder of the Kowloon Peninsula.

A large part of the New Territories, both islands and mainland, is steep and barren. Before the war, considerable areas were afforested, but one of the results of the occupation of the Colony by the Japanese was the felling of the vast majority of the trees for firewood, with the consequence that now only a few isolated woods remain, principally in the vicinity of villages. The highest point is the mountain called Taimoshan (3,130 feet), which lies 7 miles northwest of Kowloon. To the north-west of this mountain, and extending to the marshes on the verge of Deep Bay, stretches the Colony's largest area of cultivable land. The eastern half of the New Territories mainland is covered by irregular mountain masses deeply indented by arms of the sea and narrow valleys. Wherever cultivation is made possible by the presence of flat land and water, villages exist and crops are raised. Intricate terracing brings the maximum land under cultivation, and the Chinese farmers, though ready to adopt any modern methods which are suited to local conditions, and whose value has been demonstrated to them by practical tests, find in fact that there are few directions in which their traditional methods can be improved upon.

The New Territories include 75 adjacent islands, many of which are uninhabited. Productive land is even scarcer than on the mainland and the estimated island population of 60,000 includes many fisherfolk living aboard their boats. Lantau, the largest island, is well watered, but the gradients are such that even the patient Chinese farmer has been able to secure only a few precarious footholds, and there is little cultivation. Well-wooded ravines and scrub-covered spurs, where wild boar and barking deer are plentiful, slope steeply upwards to a bold and lonely skyline. The island of Cheung Chau, although quite small in area, maintains a thriving community and is an important fishing centre. Another still smaller island, Ping Chau, is the site of a match factory. The rest of the islands are much smaller.

The climate is sub-tropical and is governed to a large extent by the monsoons, the winter being normally cool and dry and the summer hot and humid. The north-east monsoon sets in during October and persists until April. The early winter is the most pleasant time of the year, the weather being generally sunny and the atmosphere dry. Later in the winter, cloud is more frequent, though rainfall remains slight; in March and April, long spells of dull overcast weather may occur. Warm southerly winds may temporarily displace the cool north-east monsoon during this period, and under these conditions fog and low cloud are common. From May until August, the prevailing wind is the " south-west " monsoon, a warm damp southerly wind blowing from equatorial regions. Winds are more variable in summer than in winter, for the monsoon is frequently interrupted. The weather is persistently hot and humid and is often cloudy and showery with frequent thunderstorms. The summer is the rainy season, three-quarters of the annual rainfall falling between the months of May and September. The mean annual rainfall is 84·26 inches (2,140·2 mm.).

From June to October, Hong Kong is most liable to be affected by typhoons, although they are sometimes experienced before and after this period. A typhoon whose centre passes over or near the Colony may be accompanied by winds of hurricane force, resulting in widespread damage on sea and land. Although the loss of life on such occasions among the boat people is now minimized by an elaborate system of warnings, there are always a number of boats which fail to reach the specially constructed typhoon shelters in time. Spells of bad weather, heavy rain and strong winds, are normally experienced several times in each summer owing to the passage of typhoons at varying distances from the Colony.

The mean monthly temperature varies from 59° F. in February to 82° F. in July, the average for the year being 72° F. The temperature does not frequently rise above 95° F., and very seldom falls below 40° F. In spring and summer the humidity is persistently high, at times exceeding 95 per cent, while in the early winter it may fall as low as 20 per cent. The mean monthly duration of sunshine varies from 94 hours in March to 217 hours in October.

A summary of monthly meteorological observations made at the Royal Observatory during 1952 is given below:

SUMMARY OF MONTHLY METEOROLOGICAL OBSERVATIONS MADE AT THE ROYAL OBSERVATORY, HONG KONG, DURING 1952

Month	*Mean Barometer at M.S.L.*	*Temperature*			*Mean Dew Point*	*Mean Relative Humidity*	*Mean Cloudiness*	*Sunshine*	*Rain*	*Wind*	
		Mean Max.	*Mean*	*Mean Min.*						*Prevailing Dir.*	*Mean Vel.*
	Mb.	*° F.*	*° F.*	*° F.*	*° F.*	*%*	*%*	*Hrs.*	*Mm.*	*Points*	*Knots*
January	1024·4	67·3	61·6	57·1	52	73	57	168·2	23·9	E	9·6
February ..	1017·8	66·4	61·2	57·4	55	82	81	78·0	30·1	ENE	11·7
March	1014·7	69·6	65·1	61·3	61	89	85	84·3	36·4	E	13·2
April	1013·1	76·5	71·7	67·8	68	89	77	113·8	194·2	ENE	10·8
May	1008·9	85·4	80·4	76·7	75	86	72	196·0	184·4	ENE	8·9
June	1005·0	87·4	82·2	78·2	77	85	77	151·8	596·6	SW	8·1
July	1003·6	87·8	82·9	79·1	77	85	77	192·0	187·3	SW	8·1
August ..	1006·3	86·5	81·6	77·2	77	86	72	176·5	410·8	E	7·0
September ..	1008·5	85·1	80·2	75·4	75	85	74	165·3	844·2	ENE	9·0
October ..	1014·4	81·9	76·7	72·7	68	75	57	239·7	13·0	ENE	9·8
November ..	1015·0	78·5	72·0	67·0	62	72	41	264·3	8·4	ENE	7·5
December ..	1021·7	65·9	60·1	54·8	47	66	63	138·2	15·0	—	8·4
Mean	1012·5	78·2	73·0	68·7	66	81	69	—	—	ENE	9·3
Total	—	—	—	—	—	—	—	1968·1	2544·3	—	—
*Normals ..	1012·6	76·7	72·0	68·4	65	79	68	1951·7	2152·8	E	7·7

*1884-1939, 1947-1950

Population

It was in 1931 that the last census was taken in Hong Kong, but since that time a number of estimates of the population have been made, and these must be relied on pending the taking of a new census. Because of the unsettled political conditions in China from the 1930's onwards, beginning with the Sino-Japanese war, the Japanese occupation of the Colony in 1941, and the course of the Civil War in China after 1945, the population of Hong Kong rose steadily and was subject to a series of fluctuations which have only recently shown signs of subsiding.

POPULATION OF HONG KONG 1921–1953

Year	*Population*	*Source of Figures*
1921	625,116	Census
1931	849,751	”
1938	1,478,619	Medical Department Estimate
1939	1,750,256	” ” ”
1940	1,821,893	” ” ”
1941	1,639,357	Air Raid Warden's Census
1945	about 500,000	Estimate on reoccupation
1946	1,550,000	Department of Supplies and Trade Estimates
1947	1,750,000	Department of Supplies and Trade Estimates
1948	1,800,000	Department of Statistics Estimate
1949	1,860,000	” ” ”
1950	2,360,000	” ” ”
1951	2,030,000	” ” ”
1952	2,250,000	” ” ”
1953	2,250,000	” ” ”

The overwhelming majority of the population is Chinese and the number of Europeans permanently resident (apart from Service personnel and their dependants) is about 14,500, of whom some 9,500 are British subjects from the U.K. and Commonwealth. The remainder are mainly Portuguese of British nationality (numbering about 2,000), alien Portuguese, Americans, Filipinos and Dutch.

About one half of the population live in the city of Victoria and the villages of Hong Kong Island, and the rest in Kowloon and in the New Territories on the mainland.

The Chinese inhabitants of the Colony are mostly Cantonese, although a fairly large number of people of Hakka origin from North China have migrated South and cultivate the land on the eastern side of the New Territories.

Occupations

There are no statistics covering the occupational distribution of the population, but apart from those engaged in agriculture, fishing, or domestic service, there are large numbers employed in various activities connected with trade and commerce, and as stevedores, coal coolies, street traders and shop workers. Some information is available on employment in manufacturing industry in which, at the end of 1952, 98,126 people were employed in 2,088 factories. Nearly 1,200 of the registered factories and workshops employed under 20 persons, about 520 employed from 20 to 50 workers and about 300 employed between 50 and 200 workers. About 30 per cent of those employed were in factories employing less than 50 persons, and nearly 60 per cent in factories employing under 200 persons. At the other end of the scale there were 8 concerns employing more than 1,000 persons, and in these there was employed a total of about 16,000 workers. These figures do not constitute a complete industrial census, because a large number of small family businesses are excluded, and the information provided is voluntary and not subject to any check. It is estimated that about 150,000 workers are employed by small unregistered concerns. Agriculture accounts for about another 150,000 persons, fishing for some 52,000, and mining about 2,000. However, the table overleaf gives some idea of the numbers engaged in the range of manufacturing industries which exists in the Colony.

At the end of 1953 the total number of establishments had risen to 2,208 and the number employed to 100,776 of whom 65,047 were men and 35,729 were women. During 1953 some of the main new industrial developments included nylon knitting, silk screen printing, and the manufacture of electric irons, kettles and clocks, and gramophone records.

INDUSTRIAL EMPLOYMENT, 1952

Industry	*No. of Factories*	*Number Employed*		
		Males	*Females*	*Total*
Metal mining	2	2,270	156	2,426
Stone quarrying	2	57	6	63
Food manufacturing ..	194	3,379	1,494	4,873
Beverage manufacturing ..	29	777	84	861
Tobacco manufactures ..	5	284	985	1,269
Textile manufacture	523	16,448	16,225	32,673
Footwear and apparel ..	71	1,371	1,559	2,930
Wood and cork manufactures	68	1,017	35	1,052
Furniture manufactures ..	17	491	54	545
Paper and paper products ..	16	214	197	411
Printing, publishing, etc. ..	293	5,191	572	5,763
Leather and leather goods ..	9	164	4	168
Rubber products	53	1,366	3,163	4,529
Chemicals	76	986	1,495	2,481
Non-metallic products ..	60	1,734	277	2,011
Basic metal industries ..	20	818	148	966
Metal products	267	7,608	3 594	11,202
Machinery manufacturing ..	125	1,946	74	2,020
Electrical goods	71	1,848	3,786	5,634
Transport equipment ..	32	10,100	187	10,287
Miscellaneous manufactures	71	1,309	772	2,081
Construction	2	36	11	47
Gas and electricity	7	1,272	9	1,281
Petroleum installation ..	4	466	5	471
Cargo packing	5	60	8	68
Storage and warehousing ..	1	448	20	468
Wireless and telephones ..	2	78	—	78
Film production	8	377	28	405
Laundries	55	978	85	1,063
Total	2,088	63,093	35,033	98,126

The farming community is mainly Cantonese, and they cultivate the more fertile land in the western part of the New Territories. The Hakka people cultivate the less fertile land on the east. Certain occupations are followed exclusively by the Cantonese or Hakka: for example, oyster fishing is a purely Cantonese pursuit, while the manufacture of bean curd and quarrying are carried out by the Hakka. Fishing is frequently combined with farming by both peoples, and there is a large fishing community which lives permanently by the sea-shore either in their boats or in huts raised on piles.

Social Services

Education

Education in Hong Kong is voluntary and is under the general control of the Director of Education, although responsibility for the administration of the various institutions is controlled by the Government, missionary bodies and private individuals. The present system dates from 1913 when the Education Ordinance under which the Director derives his powers came into operation. Under this Ordinance, all schools, unless specifically exempted, were required to register with the Director of Education and to comply with regulations relating to staff, buildings, number of pupils and health. In 1952, a new Education Ordinance was introduced with the object of regulating more closely the supervision of schools, teaching, and the educational system generally. The Ordinance provides for the statutory recognition of the Board of Education which was set up in 1920, and the specification of the grounds on which the registration of schools, teachers and managers, may be refused or cancelled. In addition, all schools must be administered by a supervisor drawn from among the school managers and who will be responsible to the education department for the school's conduct.

The schools in the Colony may be classified as follows:—

(*a*) Government schools, which are staffed and maintained by the Education Department;

(*b*) Grant schools, which are mainly run by missionary bodies with the assistance of grants administered under the Grants Code from the Government;

(*c*) Subsidised schools, which receive a subsidy from the Government under the Subsidy Code; and

(*d*) Private schools, which include the military schools and certain others which are exempted from the provisions of the 1913 Ordinance.

The medium of instruction in the schools varies: in some it is English, in others Chinese, and a number have both English and Chinese classes. The grant-aided schools normally employ English, while in the subsidised and private schools, teaching is usually carried out in Chinese, which, in this connection, means Cantonese, although there are a few where Hakka is used and in a very small number Kuo Yu (Mandarin). Kuo Yu is, however, taught as a language in many schools, and is compulsory in the case of those controlled by the Government.

Education in the Colony is not normally free, but 10 per cent of pupils in Government primary schools are awarded free places and the proportion in secondary school may be as high as 20 per cent. Grant and subsidised schools are also allowed to provide 10 per cent of free places. In addition to these, awards and scholarships are made on the basis of academic attainment. The range of fees charged by schools is as follows:—

Type of School	*Primary*		*Secondary*	
	Urban $	*Rural* $	*Urban* $	*Rural* $
Government—				
British	120	—	240	—
Anglo-Chinese ..	—	—	60–240	—
Chinese	24–50	10	240	120
Grant schools ..	90–240	—	90–460	—
Subsidy schools ..	90–150	6–100	300–360	—
	12–144	6–144	120–240	—
Private—				
Anglo-Chinese ..	70–800	24–240	300–1600	—
Chinese	12–300	36–348	240–600	216–504

In 1952 more than 185,000 children attended primary and secondary schools in the Colony, and a further 9,000 received post secondary education. They were distributed between the various categories of schools and institutions as follows:—

NUMBER OF SCHOOLS AND ENROLMENTS AT MARCH, 1952

Type of School	*Number of Schools*	*Enrolments*			
		Primary	*Secondary*	*Post Secondary*	*Total*
Government ..	36	6,841	3,671	3,133	13,645
Grant-aided ..	20	7,041	6,804	—	13,845
Subsidised ..	315	38,303	739	454	33,310
Private	668	97,986	24,227	5,376	127,589
Total ..	1,039	150,171	35,441	8,963	194,575

During 1953 the expansion of education services continued, the number of schools rising to 1,052 and enrolments to more than 204,000. The Government schools increased to 40 while the subsidised schools rose in number to 328.

Between 1919 and 1941 the school population rose from 25,000 to 110,000, but in 1945, at the end of the war, it had fallen to only 4,000, and many school buildings were in ruins and a great deal of equipment had been lost. In the post war period, many new schools were erected and a system of two shift education was introduced, so that by 1948, enrolments were already higher than in 1941.

NUMBERS OF SCHOOLS, TEACHERS AND ENROLMENTS, 1950–1953

	1950	1951	1952	1953
Schools ..	803	943	1,039	1,052
Teachers ..	6,503	7,199	..	9,197
Enrolments ..	130,064	165,210	194,575	204,165

These figures do not include students at the University of Hong Kong, nor the 9,725 pupils in 1953 who attended Special Afternoon Classes, which are run between the closing of afternoon school and the opening of the night school classes which are held in a large number of subsidised and private primary schools. Of the 194,575 pupils enrolled at the above schools in 1952 76,441 were females.

Teacher training is provided in the Northcote, Grantham and Rural Teachers Training Colleges, where there were respectively 107, 61, and 44 students enrolled in March, 1952. At the Northcote and Rural Colleges the courses are of two years' duration, while at the recently established Grantham College, a one year course directed towards meeting the needs of Chinese urban schools has been organised. At the Rural training college which prepares teachers for village schools, much of the curriculum is related to agricultural and horticultural matters and the college has a co-operative farm. About 97 per cent of all teachers in the Colony are Chinese.

Technical education begins in the Junior Technical School which provides a general education by way of preparation for entry into the Technical School where among the subjects available are full-time day courses in building, wireless telegraphy and mechanical engineering, and evening courses in building, engineering, surveying, shipbuilding, and wireless operating. There are also the Aberdeen Industrial School, a residential school for orphans and children of poor parents, which provides primary and trade education, and is subsidised by the Government, and the St. Louis Industrial School which also receives Government help and offers special classes in printing and bookbinding. A number of private technicals also supply instruction in a wide range of subjects, but the quality of instruction and equipment varies widely. Other adult education is carried out through evening institute classes in commercial and technical subjects, and also in English—about 2,500 students attend these classes.

The University of Hong Kong was incorporated in 1911 and opened in 1912. There are at present over 900 students in residence, and hostels, laboratories, staff accommodation, a students union, gymnasium, workshops and playing fields are available. There was considerable loss by looting suffered during the war, especially of scientific equipment and fittings, but this has been restored and large expansions have been carried out and are planned. The number of students has also risen steadily as the table below indicates :—

Faculty	1949	1950	1951	1952
Medicine.. ..	339	361	423	363
Arts	168	172	216	244
Civil engineering	86	119	83	—
Architecture ..	—	—	74	92
Science	45	53	62	213
Chinese languages	—	—	13	—
Total ..	638	715	871	964

In order to finance the University's re-development programme the Government made available a fund of $4 million and has increased its annual grant from $455,000 to $1·5 million. H.M. Government has made grants of £250,000 and £1 million (the latter from Japanese assets in the Colony), and a further grant of £250,000 was forthcoming from Colonial Development and Welfare funds. A number of other substantial private grants were made for new buildings and equipment.

In the field of industrial training and apprenticeship there is little uniformity throughout the Colony, and in only one or two places is it on a sound footing. The two industrial schools referred to above, and which are run by Salesian fathers, are the nearest approach to industrial training establishments, but the Technical College provides classes which are designed to give ancillary training to industrial apprentices. The Taikoo and Kowloon dockyards have well organised apprenticeship schemes as also has the Kowloon-Canton Railway. Several agreements between workers and employers embody clauses dealing with wages and conditions of work for apprenticeship, but these vary widely in their application and malpractices are frequent. The situation has not changed much since 1939, when it was reported that apprenticeship is " frequently an excuse to obtain cheap labour, in return for little or no wages, but with the provision of food and lodging. Several years' apprenticeship may be demanded in what would appear to be largely an unskilled trade, the secrets of which could be mastered in a month."

Health

Responsibility for the health of the Colony is shared by the Medical Department, the Urban Council, and the District Commissioner, New Territories. The Medical Department is administered by a Director and three deputies, and is responsible for the medical care and treatment of the entire population. Its work falls into three divisions, dealing with hospitals, health and investigations. There are 11 hospitals with a total of more than 1,800 beds, and in addition, there are 18 dispensaries and a number of clinics for the treatment of out-patients. In 1951, the total number of in-patients treated in Government and Government-aided hospitals was 91,651, while the number of out-patients in hospitals, clinics, dispensaries and health centres was over 2 million. Private, charitably endowed, and other Government-aided hospitals and sanatoria, bring the total of hospital beds in the Colony up to 4,155. The health division of the Medical Department has responsibility for vaccination, inoculation, and port health control, and also for maternity and child welfare services, malaria control, public health education and the registration of births and deaths. The Urban Council and District Commissioner, New Territories, are generally responsible for the maintenance of public health and sanitary services and for the enforcement of by-laws and regulations relating to public health.

In the absence of accurate population figures, any statistics of birth and death rates must be regarded with caution, and the table below shows only the number of recorded births and deaths in the Colony ; even these figures must be regarded as incomplete, particularly during the years of Japanese occupation.

BIRTHS AND DEATHS 1940–1954

Year	*Births*	*Deaths*
1940	45,064	61,010
1941	45,000 (*est.*)	61,324
1942	10,343	83,435
1943	20,732	40,117
1944	13,687	24,936
1945 (to 31/8) ..	3,712	23,098
1946	31,098	16,653
1947	42,473	13,231
1948	47,475	13,434
1949	54,774	16,287
1950	60,600	18,465
1951	68,500	20,580
1952	71,976	19,459
1953	75,544	18,300
1954	83,317	19,283

Infant mortality rates have declined since the end of the war, the number of deaths of children under one year being between 7 and 8 per cent of all live births.

DEATHS OF CHILDREN UNDER ONE YEAR 1946–1951

Year	*Number of Deaths*	*Mortality Rate Per 1,000 Live Births*
1938	..	343.0
1946	2,770	89·1
1947	4,346	102·3
1948	4,324	91·1
1949	5,444	99·4
1950	6,037	99·6
1951	6,285	91·8
1952	5,546	77·1
1953	5,559	73·6

One of the main reasons for the decline in infantile mortality as compared with the period before the war has been the general improvement in nutritional standards and the extension of inoculation and vaccination campaigns which have greatly reduced the incidence of cholera, small pox and other epidemic diseases. The rate of still-births per 1,000 live-births has fallen steadily since 1947 from 30·8 to 16·1 in 1952.

In general, the health of the Colony has been good in recent years, but the most common causes of death are enteric diseases of the typhoid group and tuberculosis, and the extent of these must be largely attributed to the bad sanitary conditions and overcrowding, especially in some of the squatter communities. The number of cases of these diseases has risen steadily since the war, but since the mortality rate has fallen, it is probable that improved notification has enabled treatment to be applied at an earlier stage than hitherto.

ENTERIC FEVER AND TUBERCULOSIS, 1946–1954

Year	*Enteric Fever*			*Tuberculosis*		
	Cases	*Deaths*	*Death Rate %*	*Cases*	*Deaths*	*Death Rate %*
1946	221	115	50	2,801	1,818	64·9
1947	246	61	25	4,855	1,863	38·4
1948	311	69	22·2	6,279	1,961	31·2
1949	408	89	21·8	7,510	2,611	34·7
1950	907	160	17·6	9,067	3,263	36·0
1951	1,024	134	13·1	13,886	4,190	30·2
1952	1,230	158	12·8	14,821	3,573	24·5
1953	1,434	128	8·9	11,900	2,939	24·6
1954	1,099	83	7·5	12,508	2,876	22·9

Housing

Owing to the rapid increase in population which took place between 1946 and 1951, overcrowding in many parts of the Colony became serious, and the provision of housing has been one of the most urgent problems facing the Government. There are broadly four different types of housing in Hong Kong: the European individual houses and blocks of flats, the semi-European type of flats, the Chinese tenements in which the majority of the population live, and the single story rural houses. In addition, to these it has been estimated that there are about 300,000 squatters living in some 47,000 shacks, hovels, and other sub-standard dwellings. During the war years, Chinese tenement houses for over 100,000 people and European type houses for about 7,000 persons suffered total destruction or serious damage, and in the immediate post-war years, a shortage of materials prevented any rapid reconstruction from being carried out. Since about 1947, however, rebuilding has been rapid, and a large number of modern apartment blocks of 7 stories and over have been built together with European type houses, and smaller blocks of flats. In 1951, a start was made on a project to build 400 flats for small families at North Point. This scheme is financed by the Hong Kong and Shanghai Banking Corporation, for the Hong Kong Model Housing Society which includes among its directors representatives of the Government and leading charitable organisations. The entire scheme has been estimated to cost about $3½ million and the site has been provided by the Government free of charge. Preliminary work has also begun on the pilot scheme for the construction of small flats on the fringe of the densely populated semi-industrial area north of Kowloon. This scheme for which Colonial Development and Welfare assistance has been received is also being implemented through the Hong Kong Housing Society. Other small and privately financed schemes are assisted by the Government by being allowed Crown leases on special low terms.

One of the major problems presented by the congested squatter areas is the ever present risk of fire and in 1953 there occurred one of the worst outbreaks in the colony's history. A start has been made with the resettlement of the victims of the fire with a programme of building about 5–6,000 room units to house between 35,000 and 40,000 persons. This is being carried on in addition to the normal programme of resettlement and rehousing. The congestion of the population in some of the worst housing areas is one of the chief factors retarding new house-building, for it is extremely difficult to obtain clear sites for new construction without displacing the existing densely crowded population.

Where high-standard accommodation in houses and flats is concerned, there is no difference between that used by Chinese and Europeans, and it is in the poorer quarters of the towns where the worst effects of overcrowding are apparent. In the most thickly populated areas such as in Wanchai, the central and western districts of Victoria and a large part of Kowloon, the houses consist of rows of four-story buildings, of which the ground floors are frequently shops, with the rooms in the upper floors being divided into cubicles—each forming the home for an entire family. In many of the older buildings of this kind, there are no washing facilities or latrines, and cooking is frequently done in a communal kitchen. Until overcrowding and congestion can be relieved by new construction which outstrips the growth of population these slums will continue to house vast numbers of the poorer Chinese. A Report on Town and Country Planning possibilities in Hong Kong was prepared by Sir Patrick Abercrombie and was published in 1949.

Most building materials are obtained locally and are at present in fairly good supply, although there have been occasional shortages of steel which, however, were made good by the conversion of scrap from salvaged ships. Costs have risen considerably since the end of the war.

Social Security

There is no general system of social security or national insurance in the Colony, and in view of the nature of the population and the freedom of movement in and out of Hong Kong for Chinese, there has never been a working population stable enough for any system of compulsory insurance to be practicable. It is, therefore, unlikely that any such system could be devised which would include the transient or casual workers. In the past, workers who became incapacitated by reason of sickness or old age, or who lost their employment would frequently return to their native villages in China where it was customary for their families to care for them. Restrictions in travel have impeded this in recent years, and the Colony is being compelled to take responsibility for an increasing number of aged, sick and unemployed.

The Government, the armed forces employing civilian labour, and some of the larger firms have pension schemes for their employees, usually on a contributory basis, but it is estimated that these only cover about 5 per cent of the working population. Some of the larger concerns, both European and Chinese, have medical facilities available for their staff, and in addition to paying for treatment and accommodation at government hospitals, may grant sick leave with pay. In most of the smaller concerns, however, there is no guarantee that after illness a worker will be allowed to resume his employment, and no assistance is given to him when sick. The situation in this respect has improved to some extent in recent years and agreements reached between workers and employers frequently contain provisions for sick leave and medical treatment.

A striking development in the post-war years has been the growth of Kaifong Welfare Associations, which are a modern and more formal expression of the ancient tradition of Chinese communal service through kaifongs, or elders of the community. These bodies undertook responsibility for a variety of charitable works, such as the provision of free meals, schools and medical care, and now, since 1949, they have established themselves anew. Their main work has been in the organisation of free schools and clinics, the establishment of first aid groups and playgrounds, and also in forming a representative group to bring pressure to bear on the Government on a variety of matters of social and community interest. The number of these associations had risen from 4 in 1949 to 20 at the end of 1952.

A Social Welfare Office of the Hong Kong Government was set up in 1947 with the object of acting as a link between the numerous private charitable organisations and voluntary associations which undertake social welfare work, and in addition, the Office provides food kitchens where free meals are available to the destitute and very poor. About 2–3,000 persons, of whom about 60 per cent are children, are regularly provided with a substantial free meal each day.

Principal Economic Legislation

General

Company law is governed by the terms of the Companies Ordinance (Cap. 32 of the Revised Laws, 1950), in which are laid down the conditions for the incorporation and conduct of companies. The Business Regulation Ordinance (No. 14 of 1952) requires that every person carrying on business in the Colony shall register with the Department of Commerce and Industry and shall be required to pay an annual fee of $200 in respect of each place of business subject to a maximum of $600 from any one person.

An ordinance to regulate the marketing of agricultural produce (No. 11 of 1952) was introduced to provide in a more permanent form measures which had previously existed under the Defence Regulations. The general purpose of those regulations was to give aid to vegetable farmers by ensuring fair prices for their produce, and by regulating middlemen's profits. The new legislation extends the provisions of the old regulations so as to cover other agricultural products. An advisory board has been created and powers of inspection and enforcement vested in the Director of Marketing. A large part of the scheme is covered by subsidiary legislation related to the establishment of wholesale vegetable markets in Kowloon and the New Territories, and restrictions placed on the sale and movement of produce outside the markets.

Other economic legislation is contained in the Revised Laws of 1950 as follows:—Companies and Partnerships (Caps. 31–38); Trade Protection (Caps. 39–44); Commercial Law (Caps. 45–51); Commercial Control (Caps. 52–56); Labour (Caps. 57–64); and Currency and Note Issue (Caps. 65–71).

Trade Tariffs

Hong Kong has no general tariff, and only a limited range of goods are subject to import duty: these are liquor, tobacco, hydrocarbon oils, toilet preparations and proprietary medicines and table waters. Duty is payable on these classes of goods as follows:—

Liquor	*Hong Kong Origin* *$ per gall.*	*Empire Origin* *$ per gall.*	*Other Origin* *$ per gall.*
Brandy and Liqueurs ..	—	47·00	55·00
Gin, Whisky and other Spirits	44·00	44·00	52·00
Champagne and other sparkling wines ..	—	36·00	44·00
Port, Sherry and Madeira	—	20·00	25·00
Other still wines	—	16·00	20·00
Cider and Perry	—	2·00	2·50
Concentrated Beer ..	from 1·50	from 1·50	from 1·90
Other Beer	from 1·00	from 1·50	from 1·90
Chinese type liquor and Sake	from 5·00	from 5·00	from 6·00
Other liquors, spirits of wine and arrack ..	from 5·00	from 5·00	from 6·00

Additional duties are payable on all liquors above 22° U.P., on concentrated beers above 1,045° gravity, and on other beers above 1,055°.

	Unstripped Tobacco *$ per lb.*	*Stripped Tobacco* *$ per lb.*
Unmanufactured Tobacco containing:		
(*a*) 10% or more moisture by weight:		
(1) Empire origin	3·55	3·70
(2) Other origin	3·75	3·90
(*b*) Less than 10% of moisture by weight:		
(1) Empire origin	3·58	3·85
(2) Other origin	3·78	4·05

	Cigars	*Cigarettes*	*Other Manufactured Tobacco*
Manufactured Tobacco:			
(1) Of Empire origin and manufacture	4·50	4·70	3·30
(2) Of Empire manufacture	5·25	5·30	3·90
(3) Other cigars and cigarettes ..	7·00	6·00	—
(4) Chinese prepared tobacco	—	—	3·00
(5) Other varieties ..	—	—	4·80

Hydrocarbon Oils:	
Light oils	80 cents per gallon
Heavy oils—	
(1) Diesel oil for road vehicles	$104 per ton
(2) Other diesel oil	$26 per ton
(3) Furnace oil	$24 per ton
Other hydrocarbon oils ..	10 cents per gallon

Proprietary Medicines and Toilet Preparations
25% of the f.o.b. value.

Table Waters
48 cents per gallon.

There is in addition a tax on motor vehicles of non Empire manufacture which amounts to 15 per cent *ad valorem.*

Revenue from import duties, 1948–53:

	1948 *$ m.*	1949 *$ m.*	1950 *$ m.*	1951 *$ m.*	1952 *$ m.*	1953 *$ m.*
Liquor	10·6	10·0	13·9	15·5	18·5	18·7
Tobacco ..	20·7	18·9	35·5	33·2	37·9	35·2
Hydrocarbon oils	8·7	8·6	13·2	16·7	15·3	15·2
Medicines, etc...	2·7	3·0	4·2	4·3	4·0	3·2
Table waters ..	0·6	0·6	2·0	2·0	1·9	1·9
	43·3	41·1	68·8	71·7	77·6	74·2

The Imports and Exports Ordinance Cap. 50 of the Revised Laws of 1950 as amended by Ordinance 21 of 1952, gives the Governor power to restrict or prohibit by regulation, the import or export of any article from or to any particular place, and to prescribe the conditions to be fulfilled before any import or export licences or permits are issued.

In general import licences are required for a wide range of goods which are controlled for strategic reasons, and for all restricted commodities (which include among others, coal, diamonds, flour, gold, margarine, silver, sugar and watches). In addition, import licences are required for meat from any source, except China, Macao, Formosa, and Vietnam, and for rice from any source, with the same exceptions but excluding Indo-China.

Apart from the commodities mentioned above, import licences are not required for imports from the Commonwealth, the American Account areas, Thailand, Vietnam, China, Macao, Formosa, South Korea, but licences are required for all commodities from all other areas and also on all dutiable goods from any source.

There are certain restricted imports which require the previous authorisation of the Supplies Branch of the Department of Commerce and Industry before import licences can be granted, and these include food products generally, except milk and milk products, biscuits and canned fish (so long as they are not imported from the United Kingdom), building and constructional materials, coal and coke, cotton yarn, tin and tinplate. Imports from Japan require import licences and are handled by the Japan trade section of the Department of Commerce and Industry. Gold bars and coin, tin from anywhere except China, and Swiss watches from the United Kingdom are prohibited imports. Rubber may only be imported under special licence, whatever its origin. The export of certain commodities, including a wide range of goods controlled for strategic reasons, is prohibited generally, except under licence.

Labour Legislation

The *Factories and Workshops Ordinance* (*No. 18 of 1937*) is administered by the Commissioner of Labour and provides for a labour inspectorate, the registration and inspection of factories, certain health and safety precautions in industrial undertakings, and regulation of the hours of employment of women and young persons. Under the terms of this Ordinance, a factory is defined as an establishment in which power driven machinery is used, and a workshop as an establishment other than a factory where at least 20 persons are employed in the making, altering, or repairing, of any article for sale or where gas or petrol are stored or used. It gives effect to the provisions of the following conventions of the International Labour Organisation :—Minimum Age (Industry) Convention (No. 5), 1919 ; Night Work (Young Persons) Convention (No. 6), 1919 ; Night Work (Women) Convention (Revised) (No. 41), 1941 ; Underground Work (Women) Convention (No. 45), 1935.

The *Public Health Sanitation Ordinance* (*No. 15 of 1935*). Sections 61 to 68 and the By-laws on Basements in Schedule A of the ordinance embody health regulations in factories and workshops which are administered by the labour inspectorate.

The *Boilers Ordinance* (*No. 32 of 1909*) provides for standards of safety in land-boilers and their enforcement by qualified inspectors. The Labour Department is partly responsible for this ordinance. Regulations under the ordinance have never been made, but at the end of the year were in draft.

The *Employers and Servants Ordinance* (*No. 45 of 1902*) provides, *inter alia*, for the giving of one month's notice or the payment of a month's wages in lieu thereof before termination of service in the case of certain monthly contracts. The deletion by an amending ordinance of 1932 of the clauses concerning penal sanctions enabled the Penal Sanctions (Indigenous Workers) Convention (No. 65) of 1939 to be applied without modification.

The *Trade Boards Ordinance* (*No. 15 of 1940*) provides the machinery for fixing minimum wages, determining normal working hours and fixing overtime rates in trades where wage standards are unnecessarily low.

The *Trade Unions and Trade Disputes Ordinance* (*No. 8 of 1948*) came into operation on 1st April, 1948. It follows closely the United Kingdom model, with certain variations to suit the special conditions of the Colony. These may be summarised as follows :—

(i) Registration of any society coming within the definition of a trade union is compulsory. If it does not apply for registration or is refused registration, it must be dissolved ; (ii) Every officer of a registered trade union must be actually engaged or employed in an industry or occupation with which the trade union is connected, but the Governor in Council is empowered to make exceptions ; (iii) Except with the consent of the Governor in Council, affiliation or connection with trade unions or organisations outside the Colony is prohibited, if those are likely to exercise any control over the union or its members ; (iv) The purposes for which union funds may be utilised are laid down specifically in section 20 of the ordinance. These permit the utilisation of union funds for all normal trade union functions, and the scope can be further expanded by notification in the Gazette. Funds, however, may not be applied for any political purpose ; and (v) The ordinance provides for the submission of trade disputes, with the consent of both parties, to arbitration. The ordinance conforms with the I.L.O. Rights of Association (Agriculture) Convention (No. 11), 1921.

The *Illegal Strikes and Lock-outs Ordinance* (*No. 16 of 1949*), sets out the conditions under which certain strikes and lock-outs may be illegal, i.e., if they are designed to further any ends other than a trades dispute. The ordinance was passed in April, 1949, with validity for one year, but with the provision that it could be extended by resolution of the Legislative Council for any period not exceeding one year.

Workmen's Compensation (*No. 28 of 1953*) affects most persons engaged in scheduled employment who earn under $700 per month. Compensation is payable by the employer in the event of death or injury to an amount agreed between the parties, subject to the agreement being approved by the Commissioner of Labour. Insurance is not compulsory under the Ordinance, but it is an offence to make deductions from wages for the purpose of paying insurance premiums.

Trade Unions

Trade Unions registered under the Trades Union Ordinance, with approximate number of members at the end of December, 1950, were as follows :—

No. of Members	*No. of Unions*	*Approx. Total Membership*
Under 100	18	1,199
100–199	45	6,332
200–299	30	7,156
300–399	27	8,968
400–499	13	5,616
500–999	40	26,320
1,000–1,499	16	18,647
1,500–1,999	7	11,926
2,000–2,499	5	11,278
2,500–2,999	—	—
3,000–3,999	2	6,888
4,000–4,999	1	4,010
5,000–5,999	—	—
Over 6,000	4	39,077
Total	208	147,427

The following table shows the industrial distribution of membership of the Unions at 31st December, 1950 :—

Group of Unions	*Approx. No. of Members*
Agriculture, Forestry, Hunting and Fishing	1,246
Mining and Quarrying	69
Manufacturing	46,139
Construction	8,437
Electricity, Gas, Water and Sanitary Services	5,068
Commerce	10,718
Transport, Storage and Distribution.. ..	46,047
Services	29,703
Total	147,427

Employers' associations, not included in the above tables, registered under the Trades Union Ordinance up to 31st December, 1950, were as follows :—

No. of Members	*No. of Associations*	*Approx. Membership*
Under 100	46	1,888
100–199	13	1,742
200–299	6	1,543
300–399	2	629
400–499	—	—
500–999	2	1,175
1,000–1,499	1	1,499
Total	70	8,476

Industrial distribution of membership of employers' associations was as follows :—

Group of Associations	*Approx. No. of Members*
Agriculture, Forestry, Hunting and Fishing	—
Mining and Quarrying	—
Manufacturing	4,819
Construction	535
Electricity, Gas, Water and Sanitary Services	—
Commerce	2,745
Transport, Storage and Distribution.. ..	106
Services	271
Total	8,476

By the end of 1953 the number of registered organisations had risen to 300, of which 227 were workers' unions. Some of the increase in 1951 and 1952 was due to the formation of a number of breakaway unions in which political factors and affiliations played a part.

The Labour Department gives assistance and advice on matters of union organisation, and a trade union course has been held at the University.

The *Merchant Shipping Ordinance* (*No. 10 of 1899*) provides, *inter alia*, for the form of agreement between masters and seamen on Hong Kong and British registered vessels and, together with the United Kingdom Merchant Shipping Acts, gives effect to the Seamen's Articles of Agreement Convention (No. 22), 1926.

The *Employment of Young Persons and Children at Sea Ordinance* (*No. 13 of 1932*) restricts the employment of children under 14 years of age to vessels where only members of the same family are employed, or to junks or sampans where the child is placed in the charge of an approved relative who is also a member of the crew. The ordinance, which applies only to Hong Kong or United Kingdom registered vessels, applies the provisions of the Minimum Age (Sea) Convention (No. 7), 1920, and is administered by the Marine Department.

The *Merchant Shipping* (*Hong Kong*) *Order, 1936*, applies to Hong Kong the United Kingdom Merchant Shipping (International Labour Conventions) Act, 1925. The conventions concerned are the Employment Indemnity (Shipwreck) Convention (No. 8), 1920, the Minimum Age (Trimmers and Stokers) Convention (No. 15), 1921, and the Medical Examination of Young Persons (Sea) Convention (No. 16), 1921. The legislation is administered by the Marine Department.

Land Tenure

All land in the Colony is Crown land, leasehold tenure only being granted, and the normal practice now is to grant Crown leases for a period of 75 years, renewable for one further period of 75 years at a reassessed Crown rent. In the New Territories, owing to the period of the lease from China, Crown leases are conventionally expressed as being for a period of 75 years from the 1st July, 1898, with the option of renewal for a further period of 24 years less 3 days. A considerable number of old leases for longer periods such as 99 and even 999 years exist, but with one or two solitary exceptions, such as land held for the purposes of the Hong Kong University which was formerly freehold, but has since been converted to leasehold, and the St. John's Cathedral grounds, there is no freehold tenure. Some 14,000 separate Crown leases have been granted up to date, but the total number of individual holdings of land is estimated to be several times this figure, as in a high proportion of cases the land comprised in the older Crown leases has since the date of the issue of the lease been subdivided into numerous subsections, and besides this there is a large number of grants at present still held under temporary agreements awaiting the issue of the formal Crown leases. Short term permits to occupy land, generally for a period of one year, are granted where the land is only required temporarily or where, for town planning or other reasons, it is undesirable to grant a long lease.

There is no discrimination between the rights of natives of the Colony and immigrants to acquire land, and no restriction on the acquisition of land by foreign States, individuals or corporations, provided of course that in the case of a company incorporated outside the Colony it has registered with the Registrar of Companies in accordance with the provisions of the Companies Ordinance of the Colony applicable to foreign corporations.

As a general rule, lands are disposed of by public auction. The Crown rent is fixed in advance of the auction and at the auction the competition turns on the amount of premium to be paid, and not on the amount of the rent. In special circumstances, e.g., educational, religious and charitable purposes, sales or grants are made by private treaty without recourse to public auction, but these must be authorised by the Secretary of State. In such cases the rate of premium and Crown rent may be reduced to nominal figures. Where utility companies require land for the provision or improvement of services essential to the community and where the nature of the service limits the choice of land which would be suitable, sales by private treaty are made with the approval of the Secretary of State at the normal market premium and normal Crown rent.

At the end of the Pacific war, it was found that widespread damage and destruction of buildings in the Colony had occurred. It quickly became apparent that the accommodation available in the Colony was insufficient to meet the requirements of the rapidly expanding population, while the rapid rise in land values and building costs militated against rehabilitation or rebuilding. In many cases also, the Crown leases under which these war-damaged properties were held had only a few years of the lease left to run. With a view to encouraging rebuilding, therefore, arrangements were made for renewal of these leases on concessionary terms. Land was also made available on sale by private treaty at concessionary rates to genuine home-builders. These concessions have since largely been moderated or withdrawn as conditions have greatly improved, but concessionary terms may still be obtained in the case of land for comprehensive schemes for workers' housing. In general, progress in the rehabilitation and rebuilding of residential properties has been very rapid and a large number of new houses and blocks of flats have been erected as well as a considerable amount of new office accommodation.

Grants or dispositions of land are made and executed by the Governor under the authority granted by Article XIII of the Letters Patent, or by some officer delegated by him. The right of the Crown to resume land for a public purpose is expressly preserved in the form of Crown lease in common use in the Colony, as is also the right of re-entry for any breach of covenant. Machinery for the compulsory resumption of land required for a public purpose is also expressly provided by the *Crown Lands Resumption Ordinance 1900*. The conditions under which land is sold or granted are contained in a preliminary agreement entered into at the time and normally provide for the expenditure of a stipulated amount on building development within a prescribed period, and the actual Crown leases are not issued until after these conditions of sale or grant have been fully complied with. A Crown lease may be refused and the Crown may re-enter on the land if these conditions are not fulfilled.

The form of Crown lease issued in Hong Kong expressly reserves to the Crown all mines, minerals, etc. A few mining leases in respect of land in the New Territories have been granted for kaolin, lead, galena, etc., but as yet no exhaustive mineral survey has been carried out.

Sales, mortgages, leases, settlements and other deeds and documents affecting land are prepared generally on the lines of the conveyancing law and practice in force in England prior to the introduction of the Conveyancing and Law of Property Act, 1881, and are registered at the Land Office situate in the Courts of Justice building, pursuant to the provisions of the *Land Registration Ordinance, 1844*. This ordinance was designed to provide only for registration of deeds and not for registration of title, but by common practice and usage and due to the form in which Land Office records have been maintained, the system has grown into and become recognised in practice as equivalent to a system of registration of title. This Ordinance does not apply to the New Territories and all disposition of land there is governed by and carried out by means of the statutory forms prescribed under the *New Territories Regulation Ordinance, 1910*.

Immigration

Immigration is controlled by the *Immigrants Control Ordinance, 1949*, which revised and consolidated existing legislation relating to the entry into and residence in the Colony of persons not born in Hong Kong.

Up to 1949, immigration by Chinese into the Colony was not restricted, but, in view of the serious extent of overcrowding, and because of the political conditions in China, entry permits are now required.

Political Structure

The Government of Hong Kong is administered by a Governor who is assisted by an Executive Council and a Legislative Council. The Executive Council includes the senior Military Officer, the Colonial Secretary, the Attorney-General, the Secretary for Chinese Affairs, the Financial Secretary, and such other official or unofficial members who may be appointed. At the end of 1952, there were six official members (including the five above mentioned) and six unofficial members of whom three were Chinese. The Legislative Council consists of nine official members—including the same five who serve on the Executive Council—and eight unofficial members. There are three Standing Committees of the Legislative Council: the Finance Committee, the Law Committee and the Public Works Committee.

The legal system of the Colony is based on English Common Law, together with such local Ordinances as may be passed.

Under the general direction of the Colonial Secretary, the administrative functions of government are carried out by some 30 departments. Since 1938, the Financial Secretary has assumed a purely administrative function in the Secretariat, and under his direction the Treasury is responsible for the public accounts. The Rating and Valuation Department deals with the assessment and collection of rates, and the Department of Inland Revenue is concerned with the collection of taxes levied under the Inland Revenue Ordinance of 1947. The Superintendent of Commerce and Industry is charged with the collection of import and excise duties and with the direction of preventive work, and is also responsible for government bulk purchases of essential foodstuffs, price control, and rationing. The Secretary for Chinese Affairs has responsibility for all matters affecting the Chinese community. The Commissioner of Labour is charged with ensuring that health and safety conditions in factories and workshops conform to the standards prescribed in the relevant legislation, and also provides a channel for negotiation in cases of industrial dispute. The Social Welfare Officer operates under the general direction of the Secretary for Chinese Affairs, and among his functions are included the supervision of child and juvenile welfare, the care and protection of women and girls, the inspection of immigrant ships and the general co-ordination of all welfare activities in the Colony. The Medical and Sanitary Departments deal with public health matters and the Public Works Department is concerned with roads, buildings, waterworks, piers, Government transport and similar affairs. The administration of the New Territories is in the charge of a District Commissioner, assisted by three District Officers who are responsible for the three districts into which the territories are divided.

There is an Urban Council which has limited powers to initiate subsidiary legislation in matters of public health and conservance, and the head of the Sanitary Department is *ex officio* the chairman of this Council.

Other permanent departments are the Audit Department, the Education Department, the Fire Brigade, the Marine Department, the Department of Civil Aviation, the Police Department, the Railway Department, the Post Office (which also controls Radio Hong Kong), the Prisons Department, the Royal Observatory, the Co-operative Societies Department and the Marketing Department. Four Departments originally set up under the Development Secretariat to deal with forestry, agriculture, fisheries and public gardens, have been combined under a director for administrative purposes. The Attorney-General is the adviser to the Government on all legal matters and is also the Public Prosecutor. The Registrar-General is the officer responsible for the registration of companies, trade marks, marriages and land deals, and is also the Official Receiver and Official Trustee.

Hong Kong is an Associate Member of the United Nations Regional Economic Commission for Asia and the Far East.

Transport and Communications

Rail

Kowloon is the southern terminal of a railway system extending to Hankow and Shanghai with connections from these cities into North China. Up to October, 1949, when the Central People's Government took over the Administration of Canton, through services were formerly operated from the Colony to Canton and points farther north, but since that date all passengers proceeding to and from China have been obliged to change trains. In 1953 nearly 4,000,000 passengers were carried, of whom over half a million travelled to and from the frontier station at Lown and thence into or out of China. For a time all goods had to be transhipped also, but since the latter half of 1950, goods traffic in wagon loads has been permitted to pass the frontier without transhipment. The result of these restrictions has been a considerable decline in traffic and revenue during the last two years. The British section of the line from Kowloon to Canton is operated and owned by the Hong Kong Government and is 22 miles in length.

RAILWAY TRAFFIC AND REVENUE, 1948–1953
(Monthly Averages)

		1948	1949	1950	1951	1952	1953
Passengers							
Local	number	103,060	270,117	521,263	323,925	293,165	312,519
Foreign	„	203,908	125,840	—	—	—	—
Total	number	306,968	395,957	521,263	323,925	293,165	312,519
Goods							
Local	Kgs.	220,657	2,380,579	28,592,627	23,055,773	18,804,962	18,628,018
Foreign	„	7,240,364	1,226,019	—	—	—	—
Total	Kgs.	7,461,021	3,606,598	28,592,627	23,055,773	18,804,962	18,628,018
Revenue							
Passenger							
Local	H.K.$	89,329·19	239,622·12	600,157·29	306,918·84	223,616·50	264,586·58
Foreign	„	407,840·84	259,641·58	—	—	—	—
Goods							
Local	„	1,907·86	25,031·73	187,599·30	143,217·10	129,664·86	137,240·36
Foreign	„	25,270·16	6,361·74	—	—	—	—
Miscellaneous ..	„	53,314·14	63,896·13	70,397·47	84,068·30	106,696·66	96,344·27
Total		577,662·19	594,553·30	858,154·06	534,204·24	459,978·02	498,171·21

Roads

There are about 430 miles of roads in the Colony: 180 being on Hong Kong island, 110 in Kowloon, and 140 miles being in the New Territories. About 90 per cent of these roads are of modern metalled construction and their building and maintenance are the responsibility of the Public Works Department. A considerable mileage of new roads has been completed since the end of the war although the hilly nature of the country makes construction difficult. There are motor bus services both on Hong Kong island and on the mainland, and an electric tram service is in operation on Hong Kong island. A cable tramway and a good road connect the city of Victoria with the higher levels of the island, and particularly in the city areas rickshaws are still in use.

The table below shows the increase which has taken place in the numbers of the main types of road vehicles since 1947.

In the New Territories a number of districts, notably Tsun Wan, Un Long, Taipo and Shatin, have become centres of small scale industry and road widening and other improvements have been made.

There are two Government quarries, employing about 550 men, which produce road building material, and further sites are being explored.

NUMBERS OF LICENSED VEHICLES

	1947	1948	1949	1950	1951	1952	1953	1954
Private Cars	3,986	5,758	7,902	8,971	9,764	11,015	12,371	14,500
Lorries and Vans ..	2,383	2,649	2,931	3,167	3,166	3,315	3,476	3,610
Motor Buses	146	255	321	392	431	498	520	535
Rickshaws	965	956	944	938	938	938	936	909
Trams	92	99	96	111	117	117	119	120

Shipping

The port of Hong Kong is the principal deep water port in the South China area, and, in addition to its large ocean shipping trade, has an extensive local trade carried on by river steamers and junks within the Canton delta. This trade accounts for about one tenth of the total commercial tonnage entering and leaving the port. The harbour covers 17 square miles of water and can accommodate ships drawing up to 36 feet. On the Kowloon side of the harbour there are 12 deep water berths which can accommodate ships with draughts up to 32 feet, and there are adjoining warehouses with a storage capacity of more than 770,000 tons. Modern electric cranes and lifts are installed. On the Hong Kong side there is a deep-water berth 1,223 feet in length, having storage capacity of more than 20,000 tons with 110,000 tons storage space in other godowns operated by the same company.

Shipbuilding and repair and marine engineering have been fully rehabilitated following disruption by the war, and building berths are available for new construction up to 500 feet in length. There are seven graving docks, the largest of which will take a vessel up to 750 feet in length, and there are six patent slipways capable of taking vessels up to 300 feet long. A recent survey of the shipbuilding industry showed that there were some 207 different concerns engaged in this work and they ranged from small businesses manufacturing small boats and junks to the big, well equipped establishments making ships as large as the yard facilities will allow.

A large number of ferry services cross the harbour on various routes linking Hong Kong and the other islands with the mainland. A vehicular ferry service is also maintained between Hong Kong and Kowloon.

Regular communications by sea are available to most parts of the world, and there are more than 20 shipping companies operating weekly, fortnightly or monthly services to the east and west coasts of North America, 19 companies to Japan, 9 to the Philippines, 4 to Australia, 5 to the United Kingdom and 8 to other ports in Europe. Although there have been restrictions placed on sea-going traffic with the ports on the China coast, limited services are still functioning. Over the past five years about 700,000 passengers annually have arrived and a similar number left the Colony by sea.

SHIPPING ENTERING AND CLEARING HONG KONG HARBOUR
(Monthly Average Tonnage)

Year	*Average Tonnage Entering*	*Average Tonnage Clearing*
1947	667,988	669,424
1948	782,146	774,732
1949	987,833	976,736
1950	909,109	897,180
1951	806,204	810 787
1952	832 663	833,163
1953	945,253	942,462
1954	1,020,487	1,018,632

Air

Hong Kong Airport is situated on the mainland at Kai Tak, about four miles from the centre of Kowloon. It is under the administration of the Civil Aviation Department of the Government which provides facilities for air traffic control, telecommunications, safety services, and air/sea rescue co-ordination. Full customs and immigration facilities are available during flying hours which are normally from dawn to dusk—night landings being hazardous on account of the mountainous terrain surrounding the airfield. A plan to build a second airport in the Colony was abandoned in 1951, and attempts are being made to enlarge and strengthen the runways at Kai Tak so that they may be made capable of accommodating the larger and heavier modern jet aircraft now coming into use.

There are about a dozen companies operating services through Hong Kong: two Hong Kong companies operate regular flights to Japan, via Formosa, and to Singapore, Bangkok, Manila and North Borneo. B.O.A.C. run frequent regular services to the United Kingdom, Japan and Singapore, and the Colony is also on the route of Pan-American World Airways, Canadian Pacific Airlines, Quantas Empire Airways (Australia), Braathens S.A.F.E. Airtransport (Norway), Air France, Philippine Air Lines, Siamese Airways, Pacific Overseas Air Lines (Siam), and Civil Air Transport (based in Formosa) There are also several companies, British and foreign, which operate non-scheduled and charter flights.

There are good facilities for the maintenance and repair of aircraft, and also for flying training.

ARRIVAL AND DEPARTURE OF AIRCRAFT, PASSENGERS AND FREIGHT.
HONG KONG AIRPORT (KAI TAK)
(Monthly Average)

Year	*Aircraft*		*Passengers*		*Freight*	
	Number Arriving	*Number Departing*	*Number Arriving*	*Number Departing*	*Kilos Imported*	*Kilos Exported*
1947	229	228	3,634	3,179	26,769	43,702
1948	596	594	9,592	9,382	42,753	100,986
1949	1,062	1,057	13,244	13,312	237,685	272,803
1950	224	223	2,722	3,469	65,912	111,643
1951	218	219	2,682	3,641	103,170	111,572
1952	217	216	3,440	3,791	80,999	130,465
1953	213	213	3,856	4,179	67,901	123,079
1954	249	249	4,611	4,963	51,743	138,800

Postal Services and Telecommunications

Regular postal services are maintained with all parts of the world and the volume of postal traffic handled has steadily increased. Cable and Wireless Ltd. are responsible for the maintenance and provision of all radio and telegraph services between Hong Kong and overseas countries in addition to ship-to-shore radio services and the technical maintenance and development of the Colony's radio services. A new receiving station has been built on the slopes of Mount Butler and has superseded the Peak station as the main overseas receiving station, although the latter will continue in use for short distance and local services. New transmitters are also being installed.

The public telephone service is provided by the Hong Kong Telephone Co., Ltd. On 31st December, 1953, the total number of direct exchange lines on the company's system was 29,779, and although expansion has been hampered by shortage of supplies this represents an increase of over 6,000 in two years. Telephone services are now available to China, Macao, Philippines, Formosa, Japan, U.S.A., Canada, the United Kingdom and other countries in Western Europe, Australia, Singapore and Malaya.

Broadcasting services are provided by Radio Hong Kong in both English and Chinese, and in 1951 new and up-to-date studio accommodation and equipment were made available. Until 1951 broadcasting was under the control of the Postmaster General, but since then responsibility has been taken over by the Public Relations Officer. Transmissions are made from two medium wave stations and from one short wave station. There is a wire broadcasting company in the Colony which relays programmes from the company's own studios to more than 50,000 subscribers. Commercially sponsored programmes are accepted by this company.

II. PRODUCTIVE ACTIVITIES

Agricultural Conditions and Methods

Agriculture plays only a relatively small part in the Colony's economic life, and it was not until 1946 that the Agricultural Department was formed. Nevertheless the Department's growth and activities have been rapid and agricultural demonstration stations have been established in each of the six agricultural districts in which the Colony has been divided. These stations are situated at Tsun Wan, Sheung Shui, Taipo, Shatin, and Sai Kung on the mainland, and at Silver Mine Bay on Lantao Island, and their purpose is the demonstration of new and improved techniques of husbandry and the distribution of graded seeds and stock. In addition to these district stations there is a main agricultural experimental station at Castle Peak where new varieties of crops, seeds, livestock, insecticides, and methods of cultivation are tried out.

Only a part of the Colony's land area—between one-seventh and one-eighth—is cultivated, the figures below giving an approximate summary of land usage:—

Woods	130 square miles
Wasteland	110 „ „
Urban areas	21 „ „
Unused hillsides	80 „ „
Cultivated land	50 „ „
Total ..	391 square miles

The wastelands referred to above are mainly the mountainous areas on which cultivation is impossible, but on some of the land classified as unused hillsides it is possible that measures of terracing and irrigation might lead to useful reclamation. The cultivated land consists mainly of the level plain lying to the north of the mountain of Tai Mo Shan which extends up to the borders of China, although much of this is mangrove swamp, especially close to the shores bordering Deep Bay. The more gentle slopes of the valleys are intensively cultivated and the lower parts of the hillsides have been terraced where practicable and where water is available for irrigation.

It was estimated that in 1952 there were about 31,000 acres of agricultural land in the Colony, of which 2,200 acres had been abandoned owing to liability to flood, inadequate water, or inaccessibility. The remaining 28,800 acres were estimated to be in use as follows:—

Paddy	21,700 acres
Vegetables	2,400 „
Orchards	1,300 „
Miscellaneous	3,400 „
Total ..	28,800 acres

A more recent estimate suggests that the total agricultural land has been increased to about 40,000 acres. About one half of the area of the paddy fields are used for vegetables after the second rice crop has been gathered, and of this area about two-thirds are used for the growing of sweet potatoes.

Rice is the main crop and in most places two crops are grown each year where water supplies are sufficient. Vegetables are exclusively grown on about 3,000–4,000 acres. Before the war it was estimated that only about one-fifth of the vegetables consumed in the Colony were locally produced, but in spite of the rapid rise in population the proportion is now estimated to be about three-fifths. Much of the vegetable crop is grown between the two rice crops.

Fertilisers used in the rice fields are groundnut cake sometimes mixed with ashes, nightsoil, and sulphate of ammonia. Groundnut cake, the residue after the soil has been expressed, is rich in proteins, and when soaked in water yields nitrogen, phosphorous and sulphur ; it is also a source of vitamins of the B complex which favourably affect the vigour of the plants' roots. The main reason, however, why the remarkably infertile soil of the New Territories produces such excellent crops of rice is that with the first heavy rains of the summer thousands of tons of worm casts which have accumulated on the mountain slopes since the end of the previous rainy seasons are washed down to the rice fields providing an extremely fertile topsoil of fine silt.

Other crops are grown on the land unsuited to rice, including some sugar cane and groundnuts. Some fruit trees are grown by the wealthier landlords including lichee, lungan, wong pei, carambola, Chinese olive, guava, loquat and citrus fruits such as oranges, lemons and pomelos. The lichee and lungan timber is valuable, being used in the building of junks, but many of these slow growing trees were cut down during the Japanese occupation. Lemons and grapefruit grow well and their cultivation is being extended.

There has also been a large increase in flower growing in response to the demand from the cities.

High demand and rising prices have stimulated the growth of poultry farming. There is an increasing amount of organised pig farming and many of the farmers keep one or two pigs which provide a substantial part of the locally consumed pork.

The Department of Agriculture is building up pedigree herds of Berkshires, Large Blacks and Middle Whites to provide a nucleus of breeding stock for farmers, and by encouraging selective breeding is improving the quality of indigenous stock.

There is no dairy farming in the villages, such stock as are kept there are used almost entirely for draught purposes. Milk is produced by one or two concerns which practice intensive production by stall feeding. The main diseases to which livestock are subject in the Colony are rinderpest among cattle, swine fever among pigs, and fowl pox and Newcastle disease among poultry.

Local Food Products

Rice, vegetables and certain animal products are the main foodstuffs produced in the Colony, and some fruit is grown. No actual figures of agricultural production are available although estimates have been made from figures of acreages under crops and yields.

Of the 21,700 acres under the main crop, rice, some 19,700 acres produce two annual crops, and the remaining 2,000 acres, which either suffer from lack of sufficient water or from saltiness, produce only one crop.

ESTIMATED CROP, 1952

	Acreage	*Paddy*
		metric tons
First crop	19,700	12,867
Second crop	21,700	17,717
Total Paddy		30,584
Milled Rice equivalent ..		20,797

The following table shows the estimated annual crops of paddy and the milled rice equivalent from 1948 to 1952.

Year	*Paddy*	*Milled Rice Equivalent*
	metric tons	*metric tons*
1948 ..	32,032	22,324
1949 ..	..	..
1950 ..	27,696	18,650
1951 ..	24,585	16,718
1952 ..	30,584	20,797

Vegetables are grown on about 3,000–4,000 acres of land used solely for the purpose and also on about 10,000 acres of the rice fields between crops. There has been some decline in production in the urban areas where vegetables are grown on small plots because the land is being increasingly used for building, but nevertheless a large part of the crop still comes from the small producers living in and about the urban areas. Total production has, however, continued to rise steadily since the end of the war as the following table illustrates.

VEGETABLES MARKETED IN HONG KONG
(Metric Tons)

Vegetable	1947/48	1951/52	1952/53
Cabbage	6,154·87	12,710·82	14,516·51
Kale	935·54	1,879·59	1,668·19
Sweet potatoes ..	1,042·80	899·27	968·55
Tomatoes ..	1,726·73	3,24·216	3,627·75
Watercress ..	1,147·98	2,727·05	2,768·43
Spring onions ..	492·38	1,248·96	1,157·89
Turnips	2,061·73	3,356·26	3,590·65
Lettuce	825·89	1,570·56	1,667·44
Spinach	2,058·75	3,650·38	4,038·90
Chives	328·75	1,437·87	1,366·76
Bringal	402·56	516·63	591·55
Cucumber ..	606·61	843·23	1,946·58
String beans ..	186·37	721·98	985·20
Yam beans ..	727·92	539·38	426·66
Taros	163·33	147·03	217·59
Miscellaneous ..	2,502·85	6,503·06	7,751·15
Total ..	21,355·06	41,990·23	46,794·70

Facilities are provided for the marketing of vegetables by a Government wholesale Vegetable Marketing Organisation which was started in 1946 with the aim of encouraging production and ensuring steady and reasonable prices to both farmer and producer. The Organisation has a fleet of diesel lorries which bring in vegetables from collecting points throughout the New Territories to the main wholesale market in Kowloon. At the collecting points farmers may leave their vegetables in the hands of the Organisation's staff who look after them until they are sold and then, the same afternoon, take back the proceeds of the sale, less 10 per cent commission to the Organisation. The staff, with the exception of the Director of Marketing who is a civil servant, is paid for out of the Organisation's own funds. It is intended, at a later stage, that the Organisation should become independent and be run on a Co-operative basis. The Organisation has received valuable aid from Colonial Development and Welfare funds amounting to $689,722 at the end of 1951 which was used for the purchase of transport equipment, construction of depots and the provision of other rural services.

Both the quantity and value of vegetables handled by the Organisation have increased since operations began in 1946, and it is also significant that production has risen continually even although the wholesale price of vegetables has not risen at a rate comparable with the increase in the cost of living as a whole.

QUANTITY AND VALUE OF VEGETABLES HANDLED BY VEGETABLE MARKETING ORGANISATION WITH WHOLESALE PRICES, 1946–1953

Year	*Local*			*Imported*		
	Quantity cwt.	*Value* $	*Price* $ *per cwt.*	*Quantity* cwt.	*Value* $	*Price* $ *per cwt.*
1946 3½ months	58,354	1,147,199	19·66	24,771	612,588	24·73
1947	274,334	5,269,386	19·21	108,081	2,079,306	19·24
1948	310,472	5,411,491	17·43	140,284	2,444,931	17·43
1949	371,086	8,961,686	24·15	177,311	4,257,005	24·01
1950	510,476	12,274,359	24·04	183,972	4,376,570	23·79
1951	561,309	14,309,426	25·49	192,469	4,651,244	24·17
1952	649,754	13,326,294	20·51	170,340	3,755,809	22·05
1953	1,008,020	15,565,307	15·44	..	..	..

There has been a steady increase in the Colony's livestock population in recent years and in particular the keeping of poultry has become increasingly popular. Cattle and buffalo are kept by the farmers mainly for draught purposes but some locally killed meat is marketed.

NUMBERS OF LIVESTOCK, 1948–1953

	1948	1949	1950	1951	1952	1953
Buffalo ..	1,040	1,083	1,193	14,000	11,000	983
Cattle ..	8,700	11,632	12,790			101,29
Pigs	17,640	20,166	39,732	51,000	..	45,500
Poultry ..	..	240,995	567,249	680,000	..	315,000

In addition to the above there are also small numbers of goats, sheep and horses.

NUMBERS OF ANIMALS SLAUGHTERED, 1947–1954
(Monthly Averages)

	1947	1948	1949	1950	1951	1952	1953	1954
Cattle	3,805	3,409	3,829	2,702	521	309	357	2,841
Swine	37,162	45,452	43,808	44,607	50,239	56,385	54,376	45,068
Sheep and Goats ..	282	411	454	429	708	897	..	942

Forestry

At the time of the formation of the Botanical and Forestry Department in 1880, there was only a grass and shrub covering on the Island, and the necessity to prevent erosion in the Catchment areas was one of the main reasons accounting for early recognition of the need for Forestry work in the Colony. In 1946 the Botanical and Forestry Department was finally split into two sections—a Garden Department and a Forestry Department. The need to combat erosion and protect the reservoirs and catchment areas remain the principal tasks of the Forestry Department, for there are still large areas, particularly to the west of the New Territories, which are badly eroded, and where some of the hillsides have no protective covering at all.

Unlike most other Colonial Forestry Departments which were formed to exploit timber resources, Hong Kong has had to grow and protect all her forests and by 1939 these efforts had produced tangible results. However, as a result of the outbreak of the European war at a time when the Japanese were in occupation of South China, Hong Kong had to rely, in part, on her own timber resources for internal consumption as firewood—a state of affairs which continued up to 1946—and also during the Japanese occupation a great deal of uncontrolled cutting took place which did considerable damage.

Since 1946 extensive afforestration both of broadleaved species and pine has been carried out. In the case of the broadleaved species, the trees used are all exotics such as Melaluca Leucadendron, Tristania conferta, Eucalyptus robusta and Casuarina equisetifolia. Pine afforestation is confined to Pinus massoniana (Lambert) —a species indigenous to South China and found colonizing the bare slopes of the hillsides. Afforestation with this species is usually done on grass covered slopes by broadcasting after running a fire over the area to remove the grass and lay bare the soil. Before 1939 most of the seed was collected locally but from 1946 onwards about 6,000 lb. has been purchased annually from Kwangsi Province.

Under a scheme put forward by the Forestry Officer, the villagers who held forestry lot licences have the option of continuing to manage their lots as formerly, which invariably results in cutting the trees long before maturity, or, of placing their lots under the management of the Forestry Officer. If they adopt the latter course they receive free advice on management, and are repaid the cost of all planting done by them under the direction of the Forestry Officer: in return they agree not to fell any of the pine trees on their lots except as directed by the Forestry Officer. A large section of the Forestry lot holders in the Saikung District have voluntarily accepted this scheme and definite progress has been achieved towards establishing a better stocking of the lots in this area.

A Tung Oil Plantation (Aleurites montana) was started in 1946 in the New Territories in an area of approximately 500 acres specially reserved for this purpose under the Forestry Ordinance.

Since the war the annual revenue from the sales of forestry products has been in the neighbourhood of $20,000, with annual expenditure at about $450,000. However, in Hong Kong, the value of a forest covering, managed as protection forests in catchment areas, will for many years to come far outweigh the value of any normal yield that may be derived from it.

Fisheries

The main primary product of Hong Kong is fish, and it is estimated that there is a seafaring population of about 60,000 engaged in the industry. The fishing fleet is essentially owner operated, and consists mainly of wooden junks of Chinese type which are made locally from China fir and imported hardwoods. Practically all the catch which is marketed as fresh fish is for local consumption, but a large proportion is salted and dried and exported to China.

The governmental organisations concerned with the industry are the Fisheries Division of the Department of Agriculture, Fisheries and Forestry, and the Department of Co-operatives and Marketing which controls the Government Wholesale Fish Marketing Organisation (see below).

The most important of modern fishing techniques used by fishermen at Hong Kong, are deep-sea long lining, trawling and purse-seining, and the main types of fishing craft are as follows :—

(a) *The Big junk long-liners* make voyages of many days' duration, and may sail as far as 80 miles to the best fishing grounds. Owing to the lack of mechanised power, the long lines are not shot and hauled from the junk. but by a fleet of six or eight large sampans, to which the junk acts as mother-ship. A large crew of about 42 men, women and children is carried. An average of eleven days' fishing per month yields approximately 18 cwts. of fish per day.

(b) *The Big junk-trawlers* fish in pairs, each pair towing between them one very large net. The technique is exactly the same as the Spanish pair fishing, which has been introduced so successfully into the English fishing industry. The net has a headline of 130 to 300 feet, and it is provided with floats on the headline and weights on the footrope which cause it to drag along the sea bottom. But the speed of tow is very slow, and, in particular, the sailing junks have not the power to tow the very long manila or combination bridles which, in the European pair-net, play an important part in increasing the catches. On an average of five pairs of trawling junks, the catch per 100 hours' fishing is about 9 tons of fish. The average crew is 25 men and 8 women for the two vessels.

(c) *Beam Trawlers.*—Because of the lack of power-driven vessels, the otter trawl is not used in Hong Kong, but the small beam trawl is very extensively used for the capture of prawns and small fish. Small junks operate three to five nets together whilst a large junk may fish with as many as 22 nets at the same time.

The trawl nets used by the Chinese fishermen have identical upper and lower halves. They do not appear to have discovered the " square ", a piece of net which fills a part of the space between the upper wings, and, by moving through the water ahead of the lower half of the net, decreases the chances of escape of fish once it had been enclosed by the wings.

The warps are hauled by huge hand-windlasses worked by eight men, using hands and feet. It is slow and heavy work, and, together with the work involved with the big sails, necessitates the carrying of a large crew.

The principal species being landed by the liners are Synagris, Epenephalus, Caranx, Taius, Priacanthus, Lutianus, Sparus, Caesio, Branciostegus, Cymnocranium, Platycephalus, Pomadasys, Muraenesex, Rhinobatus, Zygaera and various Rays.

The main trawl catches are Sauridopsis, Barracouda, Argyrosoma, Dussemeria, Mene, Stolephorus, Upeneus, Paralichthys, Cynglaossus, Psenopsis, Lophius, Synagris, Lethrinus, Pomadasys, Trichiurus, Carangoides, Muraenesex, Platycephalus, Hilsa and Stromateus.

The long liners usually land their fish fresh in ice ; the trawlers may either land their fish fresh, as is usually the case with the smaller trawlers, or soused in salt. In the latter case, the fish may either be later sun-dried, or put on the market wet-salted. In this wet-salted condition they may be kept for two months to mature ; they smell badly, but, when eaten, have a strong flavour not unlike " anchovy paste " or " bloater paste ", powerfully stimulating to the palate.

A limited amount of the fresh fish may also be sun-dried without salting.

(d) *Purse-Seiners.*—By far the greatest contribution to the total catches is made by the purse-seiners. There are two types of these ; a larger type, which is used in the off-shore waters, and a small inshore type. The large purse-seiners act as mother-ships to a small fleet of sampans which actually shoot the nets. When a large shoal of fish is sighted, dynamite may be used to stun the fish and so render their capture by purse-seine easy. This, however, is an illegal practice.

The small purse-seiners work in threes, two sampans about 20 ft. long and a smaller sampan. From one of the sampans, two or three bright incandescent paraffin lamps are burnt over the water to attract the fish. When sufficient fish are gathered under the lights, the two larger sampans shoot the purse-seine, purse the foot rope, and bail out the fish. Each haul takes only a few minutes.

By far the most important species of fish caught by the purse-seiners is the Anchovy Stolephorus, and indeed this is the second most important species of fish landed in Hong Kong. The larger specimens, which may be as big as 6 cm. in length, are silvery and scaled, but the small specimens are translucent and almost scaleless. They are simply sun-dried, or very lightly salted and then sun-dried. Anchovies are also used in making fish sauce, and after the sauce has been made by fermentation the residue is used as fertilizer.

(e) *Miscellaneous Methods.*—Less important fishing methods include the gillnets and set-nets. The drift gillnets are peculiar in having an unmounted and unweighted foot ; the bottom set-nets are each about 40 fathoms long and 3 ft. deep. Both gillnets and set-nets have a mesh of about 2 in. bar. The gillnets catch chiefly Cybium, Carangids, Argyrosoma, and small sharks ; the bottom set-nets, which are usually shot around outcrops of rock, catch mainly croakers, Synagris, Cynollossus, with crabs and crawfish.

The hand-trawl is a Danish seiner, hauled by hand. It has a 45 ft. headline, and is shot, and hauled, from a sampan, which anchors when hauling. Since the gear is hauled by hand, the warps are naturally far shorter than in a mechanically hauled Danish seine—100 fathoms as compared with several hundred fathoms—but the technique is already there, awaiting mechanisation.

Hand lining is a very common method of fishing, and there are some 1,400 small hand lining sampans in Hong Kong. The hand liners frequently have a live-well in which the fish are kept alive. These live fish fetch the highest prices ; next come the fresh fish, the unsalted dried fish, the salted dried fish and, finally, the wet salted fish.

All the nets are made of ramie, or Chinese grass, and the fishermen set a high value on the effective preservation of their fishing gear, and take the greatest care of it. The lighter gillnets are preserved by dipping them for a few seconds in beaten-up white of egg ; they are then hung up in the wind and sun until the albumen coagulates and dries. Later treatment may be by using pig's blood in the same way, when the nets take on a dark brown colour. It is claimed that when white of egg alone is used, the resulting translucency is a help in catching fish. Most nets and lines, however, are preserved by repeated dipping in a decoction of a wild yam (Dioscorea). The first treatment gives a glossy red colour, but subsequent treatments give the twine a jet-black hard glossy finish. After each soaking in the decoction of yam, the nets are steamed to fix the preservative.

The sampans and junks are very strongly built, and are usually spotlessly clean and tidy. Tung oil is the preservative used to protect the timber ; the outer hull, below the waterline, is periodically scorched by a quick fire of dry brushwood, which effectively kills off the shipworms and other marine growths. The hull is then given a fresh coat of tung oil while still hot from the burning.

The following table shows the numbers of fishing boats and fishermen engaged in the different types of fishing in 1952.

Type of Junk	*Number of Junks*	*Number of Fishermen*
Liners		
Big long liners	58	2,142
Middle long liners	77	980
Small long liners	1,236	7,092
Seiners		
Purse-Seiners	1,403	11,746
Pateng	71	1,814
Ku Pa Teng	213	1,704
Trawlers		
Deep-sea trawlers	444	8,472
In-shore trawlers	317	4,944
Shrimp	197	1,218
Gill Net		
Big tail junks	380	2,611
Fish collecting and dryer ..	225	1,827
Miscellaneous junks	635	2,858
Total	5,256	47,408

Pond Fish Culture is carried on to a certain extent in Hong Kong in fresh water and brackish water ponds covering about 580 acres. Grey Mullet (Mugil captalus) is the main type of fish used. This is due to the good supply of mullet fry in the area and the brackish nature of most of the ponds. The disadvantage of the grey mullet is its slow maturity, and the pond fisheries are not a very lucrative means of livelihood.

The fishing grounds cover the waters around Hong Kong up to a distance of about 100 miles, and since these waters are liable to typhoons the wind driven off-shore fishing craft, such as trawlers, are compelled to tie up during the typhoon season which is normally between July and September. For this reason the need for increased mechanisation of the fishing fleet has become evident to the fishermen and in recent years most of the larger vessels have fitted engines, and a number of the smaller craft are also being similarly equipped. The Government is also taking action with the aid of a grant from the Colonial Development and Welfare Funds to develop a small powered fishing craft of new design.

The main types of fish landed are mackerel, scad, anchovies, lizard fish, golden thread, croaker, and yellow croaker.

FISH MARKETED IN HONG KONG, 1946–54

Year	*Fresh Fish*		*Salt/Dried Fish*	
	Quantity Tons	*Value $*	*Quantity Tons*	*Value $*
1946	1,904·05	3,120,457	12,592·79	18,476,431
1947	2,653·79	3,355,513	11,266·19	11,166,576
1948	7,351·07	8,651,356	14,644·76	11,941,515
1949	10,822·38	17,689,028	16,108·63	18,740,370
1950	16,425·48	24,414,750	16,304·28	13,873,411
1951	22,138·33	30,424,549	8,016·79	8,687,688
1952	26,380·95	30,980,434	8,067·49	7,537,428
1953	24,916·20	..	6,523·50	..
1954	33,002·90	..	6,507·30	..

The wholesale marketing of all fish, except pond and shell-fish, is controlled, the fish being auctioned at Government-organised wholesale markets. Before the war the fishermen were very much in the hands of the dealers and retailing companies, and the establishment of the Fish Marketing Organisation was aimed at the protection of the fishermen as well as at the general regulation of the industry. The markets are situated at Kennedy Town, Shaukiwan, and Aberdeen on Hong Kong island, at Yaumuti in the Kowloon area, and at Taipo in the New Territories.

The Organisation runs a fleet of launches and lorries which transport the fish from the main markets, and collecting depots have been established at which the fishermen may leave their produce in the hands of the Organisation's staff who will arrange for its sale. The Organisation's commission charge is 6 per cent of the value of fish sold, and this covers all services provided between the time of the collection of the fish and its final marketing. Credit facilities for fishermen are available and by March, 1952, 1,626 loans amounting to almost one million dollars had been granted. The Organisation also plays a part in the education of members of the fishing community and at the present time is running four schools for fishermen's children and subsidising five others.

The Fisheries Division of the Department of Agriculture assists the industry through the surveying of fishing grounds, and the University of Hong Kong is establishing a fisheries research unit.

Prospects of improving output and distribution depend on the further mechanisation of the fishing fleet and the development of Co-operative Societies amongst groups of fishermen. The present slack period is during the typhoon season, trawlers and long liners being afraid to venture far from base. With mechanisation this will be largely avoided, especially when combined with wireless communication. An increasing number of junks are being mechanised and the Government is taking steps to produce a design of a mechanised vessel suitable for the China Seas and Chinese construction methods.

Minerals

There are few places in the world comparable in area to Hong Kong (391 square miles) which have such varied geological records. Igneous, sedimentary and metamorphic rocks are all represented, but it is the igneous rocks, ranging from granites to rhyolites, which are the most widespread. A wide range of economic minerals have been found but few have been located in sufficiently large deposits to be worth working. Unfortunately, much of the Colony is covered by a thick lateritic type of decomposed rock which effectively masks the solid geology below.

The principal minerals so far identified in the Colony are: kaolinite, argentiferous galena, wolframite, molybdenite, garnet, pyrite, mica, magnetite, haematite, cassiterite, fluorspar and quartz. However, the chief minerals mined to date, either by modern European methods or traditional Chinese surface scratchings, are kaolin, lead, iron and wolfram.

Lead deposits are widely scattered throughout the Colony and have been mined since the middle of the 19th century. The lead is usually associated with silver as argentiferous galena, and there are fair deposits to be found at Silver Mine Bay, Lead Mine Pass and Lin Ma Hang. The mines at Lin Ma Hang were easily the largest and most modern before the war began, and employed about 1,000 men. At one time they were producing roughly 250 tons of lead ore (concentrates) and 7,000 ounces of silver monthly. They were forced to close down in 1940 when the Japanese sealed off deliveries to China. The Japanese opened the mine again during the occupation, but output has now fallen to about 60 tons per month. Reserves have been lately conservatively estimated at about six million tons, and at the present rate of production on the proved reserves the mine is likely to have a life of well over 30 years. Most of the production is exported to Japan, with small amounts being sent to Formosa.

Iron is everywhere in evidence but the only deposit which so far has attracted a major commercial exploitation is the lenticular magnetite mass at Ma On Shan which is worked as an open cast mine. Its production is regulated by its chief customer, the Green Island Cement Company, and at present about 2,500 men are employed. Surface scratchings for ochre, a hydrated oxide of iron, are worked spasmodically. The ochre is used by small local paint companies.

Wolfram, which is loosely called tungsten, occurs in several places and was first mined in 1917. It is mined officially and unofficially at Shing Mun, Castle Peak, Ho Chung and on Lantau Island. By far the largest workings are at Shing Mun where a European company has the lease, and where the Japanese kept up a steady production during the occupation. The number of miners who work the deposits is estimated at about 10,000, although a large proportion of them work on a casual basis and the number varies according to the price of wolfram. When the price was at its highest it was estimated that production was about 75 tons a month, but since prices fell, output is now less than half this amount. In addition to the surface scratchings and tunnels from which the bulk of the mineral is won, small amounts are produced by panning in river and stream beds. Much of the stimulus to production came from the closure of supplies from Kwantung and Kwangsi, and should these be reopened it is likely that the importance of Hong Kong's output would diminish.

Kaolin is certainly the most valuable of the proved deposits in the Colony both in quantity and quality. It occurs everywhere in varying degrees of purity ranging from the best ball clay to the coarser varieties. Of the many deposits now being worked, the pit at Cha Kwo Ling is the most valuable and productive. Much of the clay from this pit is exported to Japan, where it is used as a filler for rubber and cloth, but some is used locally in ceramic industry. Elsewhere other deposits are mined for the various brick, face powder, tooth powder and rubber companies. At San Hin, Castle Peak, there are two large ceramic factories, which in addition to a wide variety of chinaware, produce some 30,000 bricks per day.

Alluvial tin has been recorded in the paddy fields of Kam Tin, but owing to the importance of rice production these deposits have not been exploited. The ore is estimated to contain 70 per cent tin. Small deposits elsewhere have been worked, notably at Sheung Tong.

There are stone quarries sited all round the coast. The ornamental grey Hong Kong granite is most usually worked for building stone.

Sand and gravels are available in large quantities, mainly from the raised beaches along the coasts.

It is proposed to print a geological map of the Colony, based on the 1935 edition of the 1/84,480 geological map, as efforts to trace the pre-war geological base maps in Japan have failed.

MINERAL PRODUCTION, 1945–1954

Year	*Clays and Kaolin (tons)*	*Iron Ore (tons)*	*Tin Ore (lb.)*	*Lead Ore (tons)*	*Wolfram (lb.)*	*Molybdenum (lb.)*
*1945/6	294	—	—	—	—	—
*1946/7	8,430	—	—	—	—	—
*1947/8	3,874	908	1,811	—	200	—
1949	—	59,181	800	—	900	—
1950	—	169,374	1,000	—	—	—
1951	620	160,684	2,514	176	Ore : 44,591	250
1952	4,381	127,512	1,188	752	217,599	737
1953	5,934	123,200	156	645	313,721	3,327
1954	6,053	90,800	—	369	60,336	193

* November to October up to 1947 then November 1947 to December, 1948.

Manufacturing Industry

From the early days of the present century there had been a large and prosperous shipbuilding industry in the Colony, but the light industries only began to play an important part in the economy with the introduction of Imperial Preference in the 1930's which made it possible for products manufactured in Hong Kong to compete with the mass manufactured articles of Japan in Empire markets. After the war, there was a boom in factories despite the high price of land, as producers were attracted to the Colony, when political and social conditions deteriorated in the countries of the Far East. To-day there are over 2,000 registered factories manufacturing a variety of articles such as rubber shoes, torches, torch-bulbs, batteries, sewing needles, hurricane lamps, wire nails, hardware (locks and hinges, pots and pans), piecegoods (cotton and art silk), soft goods of all kinds (singlets, vests, underpants, sports shirts), garments (shirts, pyjamas, collars), hand-knitted gloves, hats, helmets, cloth, umbrellas, leather goods (belts, shoes, boots, wallets, handbags), seagrass, rattanware, rattan furniture, camphorwood chests, matches, mother-of-pearl and dobu buttons, toys, rope, paints, ginger (preserved and cargo), ginger in brine, canned goods of great variety, vacuum flasks, electrical accessories and firecrackers. Details of the number of factories and employment in the main industrial groups will be found in the sections dealing with occupations and employment, but the table below summarises the expansion of industry which has taken place in the post-war period.

The Labour Department and the Department of Commerce and Industry are jointly responsible for the promotion of industrial development and handicrafts. Overall control of policy is vested in the Colonial Secretariat where the post of Economic Secretary has recently been created. The Labour Department is concerned with the location of industrial establishments, the improvement of general working conditions and the promotion of safety, health and welfare of workers. The Commerce and Industry Department is concerned with the attraction of industry and trade to the Colony, the creation of favourable conditions in which it may operate, assistance in procuring raw materials and advice in relation to problems of marketing. In 1953 a Trade

NUMBERS EMPLOYED IN FACTORIES AND WORKSHOPS

Date	*No. of Factories and Workshops*	*No. of Employees*		*Total*
		Male	*Female*	
March, 1948	1,143	35,770	24,880	60,650
March, 1949	1,284	39,563	25,708	65,271
March, 1950	1,525	56,226	33,286	89,512
March, 1951	1,688	58,367	35,470	93,837
Dec., 1952	2,088	63,093	35,033	98,126
Dec., 1953	2,208	65,047	35,729	100,776

Development Division was set up in the department and consideration is being given to the provision of new sites for industry in connection with the new housing and resettlement areas which are being established.

The Colony usually has a stand at the British Industries Fair (Empire Section) where examples of most of these commodities are on view.

Shipbuilding and Docks

Owing to its splendid harbour and the cheapness of the port, many international shipping lines have made Hong Kong their terminal port. The shipbuilding industries in Hong Kong were established to meet the demands of the many ships using the port, and they have kept pace with the latest developments in marine engineering so that to-day Hong Kong can cater for all the demands for repairs and overhauls made by ships using the port, and is capable of building coasters and ocean-going vessels up to 10,000 tons.

There are three main shipyards in the Colony :—

(*a*) Hong Kong and Whampoa Dock Company Limited, which operates three establishments, two on the mainland and one at Aberdeen, Hong Kong. The head offices and principal yards and works are at Hunghom, Kowloon, and consist of three dry docks, two slipways, seven building berths and corresponding machine and erection shops, etc. Facilities also comprise a steel foundry (up to 6 ton castings), iron and brass foundries, forge (up to 20 tons), heavy machine shop (50 ton crane), boiler shop, welding plant for all purposes, including repairs to all-welded hulls and to ships afloat, electrical repairs of all types, electric wiring, hot galvanised plant, copper-smiths' and plumbers' shops, stores, towage and salvage services, and an electric cantilever crane, lifting capacity from 10 tons at 150-ft. radius to 100 tons at 20-ft. radius.

(*b*) The Taikoo Dockyard and Engineering Company of Hong Kong Limited are ship and engine builders and repairers, their shops, dock, slipways and building berths covering an area of approximately 60 acres. Workshops are fully equipped for the building and repairing of reciprocating, turbine and diesel machinery and licences are held for the building of Taikoo-Sulzer and Taikoo-Doxford diesel engines and for Brown Curtis and Parsons turbines. Slipways are served by steam travelling cranes lifting up to 10 tons and a 15-ton high gantry electric crane will shortly be installed. There are five building berths of which three are capable of taking ships 500 ft. long and two capable of taking ships 350 ft. long. These berths are served by 10-ton electric gantry cranes. The engine shops are equipped to build reciprocating, turbine and diesel machinery. Ships of up to 6,500 tons have been built in the company's yards.

(*c*) Bailey's Dockyard is equipped with three electrically operated slipways able to take vessels up to 1,000 tons at any state of the tide. The yard undertakes most types of construction, repair work, weldings, castings and forgings. During 1948 it was fully engaged and over 75 vessels were slipped.

The two largest companies have a capacity for building more than 80,000 tons of new shipping annually, while in the foundries castings of up to 30 tons can be made.

In addition, there are a number of smaller firms capable of carrying out minor hull and engine repairs, painting, etc.

There are 16 iron foundries employing about 400 workers, and four mills employing some 800 workers, which engage the rolling of iron and steel. Part of the production is used locally, but some is shipped to other countries in South-East Asia. A new industrial development which is being considered is the setting up of a steel plant for the melting of local scrap and the manufacture of steel for building work.

Textiles

Cotton spinning is an industry which has only come to Hong Kong since the war. The uncertain conditions prevailing in the Far East have made Hong Kong, with its relatively secure system of law and order and stable finance, an attractive site for manufacturers. New mills have, therefore, been erected incorporating the latest spinning plants available in Britain, America and Japan. The capacity of the spinning industry in 1952 was over 200,000 spindles in thirteen spinning mills capable of producing about 14–15,000 400 lb. bales of yarn per month, which represents most of the requirements of the local weaving factories. In addition there are one or two smaller factories which produce sewing threads, and a number of the mills are also equipped for weaving. The annual output of cotton yarn was around 7 million lbs. in 1952.

About 40–50 per cent of the total output of the spinning mills is taken up by the local weaving industry, and the balance is exported mainly to markets in the Far East, of which Indonesia, Pakistan, Formosa, Burma, and Thailand are most important.

The following is a summary of spinning mills in Hong Kong :—

SPINNING MILLS, 1952

	No. of Spindles	*No. of Looms*
Nanyang Cotton Mill.. ..	22,200	222
South China Textile Ltd. ..	12,000	210
Hong Kong Cotton Mills Ltd.	37,856	—
Wyler Textiles Ltd.	28,656	264
South Sea Textile Manufacturing Co. Ltd.	10,500	—
Oriental Cotton Spinning and Weaving Co. Ltd.	8,200	103
Lea Tai Textile Co. Ltd. ..	5,040	50
Kowloon Textile Mill.. ..	20,000	261
Shanghai Textiles Ltd. ..	12,800	—
Pao Hsing Cotton Mill Ltd. ..	10,020	—
East Sun Textile Co. Ltd. ..	5,184	230
South Textiles Ltd.	5,880	200
New China Textiles Ltd. ..	10,000	—
	188,336	1,540

By 1953 the number of spindles in operation had risen to 213,000 and the addition of a further 45,000 spindles in 1954 was planned.

There are over 700 textile factories in Hong Kong, but many of them employ less than 20 workers and are not therefore registered with the Labour Department. Of the 523 factories which were registered at the end of 1952, 16 were spinning mills (13 cotton, one silk and two wool), 153 were weaving mills, 260 were knitting mills, and the rest engaged in the production of finished goods. Employment in textile factories was a little over 30,000, about 10,000 being employed in each of the spinning, weaving and knitting sectors with about 1,000 engaged in various finishing processes.

The total yarn required per month for weaving factories when operating at full capacity was as follows:—

3,072 looms, power (cloth) ..	976,680 lb.
6,457 looms, hand (cloth) ..	677,985 „
103 looms, power (towel) ..	32,175 „
123 looms, hand (towel) ..	9,225 „
Total	1,678,065 lb.

Knitting factories include a variety of factories some of which are well equipped, while others operate in a small way only. The monthly consumption of yarn when operating at capacity in 1952 was as follows:—

1,303	Rotary, circular and interlock	1,094,520 lb.
723	Hand knitting machines ..	202,440 „
1,041	Hosiery, hand	46,845 „
911	Hosiery, power	218,640 „
1,353	Shoe-lace machines ..	40,590 „
120	Ribbon tape machines ..	2,700 „
	Total	1,605,735 lb.

The largest proportion of yarn used by textile manufacturers in Hong Kong is of the 20 count, although some 32's and higher counts are added. The chief sources of imported cotton yarn are Japan, Egypt and India, while Japan is the main supplier of rayon and woollen yarn. Hong Kong textiles find their largest market in South East Asia, but there is a lively trade with the African Colonies and the West Indies where local products get the benefit of Imperial Preference.

Rubber Industry

At the end of 1953 there were 53 rubber factories in Hong Kong, of which 48 engaged in the manufacture of rubber shoes, but the industry has had a checkered career since the end of the war. The five major factories are the Fung Keung, the Continental, the Canton Bros., the Hong Kong and the Wah Keung. The smaller factories are banded together as the Hong Kong Rubber Industrial and Commercial Association. The closing of the Chinese market to rubber goods and the prohibitive tariffs imposed in Manila hit the rubber industry hard. Exports of rubber and rubber-soled footwear in 1953 were £2·1 million, of which £1·2 million were to the United Kingdom. Employment in 1953 totalled about 5,800 workers.

The chief products manufactured are rubber shoes of all kinds, rubber toys and inner tubes.

Cement

There is one cement factory operating in Hong Kong namely the Green Island Cement Company. The plant suffered considerable damage during the war and occupation and in 1947 production was under 3,000 tons per month, but so successful has rehabilitation been that the output is now about 100,000 tons per year. There were about 260 workers employed in 1953.

PRODUCTION OF CEMENT, 1948–54

Monthly Average (Metric Tons)

1948	1949	1950	1951	1952	1953	1954
4,435	4,889	5,673	5,975	5,772	5,315	8,366

Electric Torches

There are 64 factories employing about 5,000 workers which are engaged in the manufacture of electric torches, batteries and bulbs. Twenty-two of the factories produce torches, 20 make bulbs, and 17 produce batteries. Output is at an annual rate of more than 25 million torches, 72 million bulbs, and 60 million batteries, and the value of exports in 1952 totalled about £3·75 millions for all three products.

There is a wide range of other industries in Hong Kong which cover products as diverse as dried eggs and joss sticks, mahjong sets and vacuum flasks, building bricks and toothpicks, matches, cigarettes, furniture, lamps, glassware, cosmetics, plastics, pots and pans and iron and steel.

MISCELLANEOUS INDUSTRIAL PRODUCTS, 1951

Commodity	*Production*
Food Processing	
Canned foods	1,038,960 dozen tins
	141,530 bottles
	10,603,300 lb.
Biscuits, bread and candies	7,292,250 lb.
Tea	397,280 lb.
Ginger	3,100 tons
Metal Goods	
Electric torches	2,459,975 dozen
Screws and nails	1,700,000 gross
Needles	1,388 004,000 pieces
Vacuum flasks	472,496 dozen
Metal windows	995 600 sq. ft.
Iron and steel bars ..	12,132 tons
Metal drums	72,000 pieces
Copper wire	240,000 lb.
Chemicals	
Sulphuric acid	1,800 tons
Hydrochloric acid	1,324 tons
Caustic soda	1,030 tons
Other Manufactures	
Candles	984,000 lb.
Playing cards	180,000 packs
Shoes (not rubber) ..	191,928 dozen pairs
Shoes (rubber)	15,848,832 pairs
Bricks	24,600,000 pieces
Cigarettes	690,000,000 pieces
Aerated water	48,774,300 dozen bottles

Distributive Trade

Statistics are not available covering the distributive trade generally in Hong Kong or the number of persons employed therein.

The Wholesale Vegetable Market was opened in Kowloon in mid-September, 1946, with the objects of improving vegetable production both in quantity and quality, and of facilitating its collection, marketing and sale at a reasonable price.

The market remained an activity of the Agricultural Department until September, 1948, when the scheme was incorporated into a separate government department, and during 1950 the Department was placed under the control of the Registrar of Co-operatives. All vegetables produced in the New Territories and those imported into Kowloon from China have to pass through this market, where they are auctioned. The success of the market has been due in no small measure to the provision of adequate transport and prompt payment to the farmer.

Efforts have been made to obtain close contact with the farmers, and vegetable collecting depots have been established in the main vegetable growing areas of the New Territories. The primary function of these depots is the collection of vegetables from farmers and their transportation to the market, but other functions are also discharged, such as sale of fertiliser and seeds to farmers. They also act as social centres for the farmer where it is possible for him to obtain advice on the many problems with which he is confronted.

A Wholesale Fish Market is established at Kennedy Town and at Taipo, where all marine fish have to be sold. In the main fishing villages, fisheries syndicates have been established whose primary function is the collection of fish from fishermen and its transportation to market; but they also discharge other functions such as the sale of rice, flour, salt, ice, sugar, ramie, hooks and tung oil at low prices to the fisherfolk. They also act as centres for social welfare and education, where advice can be given to the fisherman. At the wholesale markets fish are bought by registered buyers in public auction and the fisherman immediately receives the amount bid less 6 per cent on which commission the scheme is run.

To take the place of the loans formerly granted by the fish " laans," or groups of wholesale dealers, a Government loan is used as a revolving fund. A small rate of interest is charged and the loan is repaid by the deduction of a small increased percentage commission on the sale of fish.

Although there still exist some small "laans" which organize the collection of fish, sell it in the market and also undertake salting or drying, fishermen are forming small co-operative associations to perform these functions. Already each main fishing village has at least one of these associations.

Professions

The Colony is well served with professional services of all kinds. There are about 500 doctors, of whom one-quarter are in the Government service; nearly 400 dental surgeons, more than 1,000 nurses, about 50 lawyers and 100 architects. There are about 6,000 teachers of whom the greater number are in private schools.

Co-operative Movement

The Co-operative movement in Hong Kong is of recent origin, having been initiated in 1950 by the establishment of a Department of Co-operatives and Marketing, which is also responsible for the Government's fish and vegetable marketing organisations. The Registrar of Co-operatives (who is also Director of Marketing) is assisted by three Co-operative officers and a small clerical staff. The function of the Department is to promote co-operative societies, particularly in connection with fish and vegetable marketing, and it is intended that the Government organisations shall in time become fully co-operative.

At the end of 1953 there were 31 registered Co-operatives with a membership of 2,500. Eleven of the societies are for the marketing of vegetables, and most of the others are thrift and loan societies. Seven new societies were formed during 1952.

Among farmers, vegetable growers and pig keepers, the idea of co-operation is receiving considerable support, but progress among the fishermen was slow until 1952 when the first credit society was formed. This met with considerable support and during 1953 a further ten fishermen's credit societies were formed.

Employment and Labour Supply

Until recently the unrestricted immigration of Chinese into the Colony ensured an ample supply of unskilled labour, and to a lesser extent, of skilled labour, and although statistics of unemployment are not available, there exists a surplus of unskilled labour. An unofficial estimate suggests that more than 30 per cent of the working age population is either unemployed or underemployed in the sense of working only part time. In the past the normal relief for unemployment was the return of the unemployed to their native places in China, but during the period of the civil war, the troubled internal condition of China was a deterrent to the unemployed to leave the shelter of the Colony. The numbers of skilled craftsmen and artisans have decreased as a result of the war, but there is evidence of an increase in the number of Chinese technicians resident in the Colony. European artisans are only infrequently employed, except in a supervisory capacity, but technicians employed by foreign firms are commonly European.

There are no official employment exchanges in the Colony, and Chinese industrial workers are usually engaged through works' foremen, generally on a family basis. The objection of employers to the setting-up of employment agencies is not so much to the agencies themselves, but is based on the fact that men engaged otherwise than through accepted channels, seldom remain long in employment because their fellow-workers make life very uncomfortable for them. Employers, therefore, cannot count on continued service.

Employment statistics, in the absence of any statutory requirement to provide data, are limited to figures voluntarily supplied by employers whose businesses are registered or recorded under the Factories and Workshops Ordinance, 1937. Statistics of employment in these concerns at the end of December, 1952, are given in the section on Occupations (page 65).

The textile industry employs the largest labour force in the colony, estimated at over 30 per cent of the total number of workers employed, in registered and recorded factories.

In the last few years Hong Kong has changed from a cottage-type factory community to a modern industrial city. Wages are low by European standards and are prevented from rising greatly by the pressure of unemployment. Productivity in many industries appears to be high and is likely to rise as more small backyard industries are replaced by modern large-scale well-equipped factories. The ability of the Hong Kong textile industry to compete in world markets so successfully is said to be due to the high output per man-hour (largely made possible by the use of the most up-to-date machinery), low wages and the working of a three-shift system.

Money wages without benefits in kind except medical benefits, are usually paid by foreign firms to their Chinese workers, though a small number of big concerns, such as the dockyards, provide housing for some of their Chinese staff, usually of foreman and artisan grades. On the other hand, it is usual for Chinese concerns to provide meals for their employees, either free or at a small cost, and common to provide free accommodation for unmarried employees, although this may only be permission to sleep on the premises. In the present acute housing shortage, provision of accommodation is a valuable addition to real wages.

British-owned industrial concerns, such as dockyards and public utilities, divide payments to their staff into a basic wage and a cost of living (or "rehabilitation") allowance. The allowance fluctuates in accordance with weekly food and fuel costs published by the Labour Department, and differs for artisans and unskilled workmen. Chinese concerns normally pay a flat wage, but the food which they usually supply to workers operates to some extent as a cost of living allowance, as rice exerts a major influence on the cost of living.

By general agreement between all European employers, and now by an increasing number of Chinese employers engaged in more modern forms of business, such as the omnibus companies, the 48-hour week is recognised as standard, and any work over eight hours for six days is treated as, and paid for, at overtime rates. During 1948 the Government brought in a 48-hour week for all its manual workers. It is an aim of policy of the Labour Department to get the 48-hour week recognised as normal. Workers in Chinese-owned industries work longer hours, nine hours a day being standard, quite often combined with a seven day week. Even longer hours are often worked where employment is at piece rates, and these are particularly prevalent in the textile, electric torch and rubber industries.

In addition to Sundays, there are 16 annual statutory holidays. The Government, utility and taxi companies and most European-managed business houses grant these holidays with pay or, in the case of the Government and utility companies, days off in lieu. Dockyards and other European-managed industrial concerns grant between 12 and 16 paid holidays or half-holidays a year coincident with Chinese festivals rather than official holidays. In addition to gazetted holidays, the Government grants paid casual leave to its salaried employees at the rate of one day for each month's service and to its wage-earning employees at approximately the same rate, dependent on their having been employed for three years continuously. One or two firms also grant paid casual leave at varying rates. In all European-managed concerns, Sundays are holidays for employees on daily pay, but only in the Tramway Company are these holidays paid. Rehabilitation allowance is, however, paid on Sundays by the Government and the utility companies even if the employee is not paid his wage.

The more progressive and better organised Chinese concerns also grant some or all of these holidays. Sundays have no place in the Chinese calendar and, except for a few business houses and some constructional concerns, are never taken as holidays. The majority of smaller Chinese shops, factories, workshops, etc., provide no holidays for their employees, except at the Chinese New Year, Ching Ming, and, perhaps, at one or other of the seasonal festivals, especially those connected with the trade or industry itself. In some cases these holidays are with pay. As many of these concerns are on a family basis, the system works well enough and the introduction of paid holidays on the European model is not a matter of great concern to the workers.

Overtime pay is granted in all concerns where the 48-hour week is standard. It is commonly paid to manual workers only, but the Government pays all its staff with the exception of administrative, professional and senior technical officials for overtime worked, though its policy is to limit overtime as far as possible by granting time off in lieu. The standard overtime rate is one and a half times the basic wage for time worked before normal working hours and after normal working hours up to midnight, and twice the basic wage for work on Sundays or public holidays. For government salaried staff the hourly overtime is 1/100th of the basic monthly salary with a maximum of $6 an hour, which is a little more than the standard rate for government employees paid by the day. Manual workers in Chinese-managed factories are usually paid overtime pay at a rate between one and one and a half times their wage. Salaried workers in these factories get overtime pay only infrequently.

Below is given a table of wage and overtime rates for manual workers in selected industrial groups, which include those in the more important local manufacturing industries, and in the Government. Wage rates are most frequently agreed individually been employers and workmen and the range of wages in most Chinese-managed industrial concerns is so diverse that any summary must necessarily be somewhat misleading.

Individual occupations have in most cases not been specified, but in order to facilitate comparison between wage rates in different industries, the following rough assessment of skills has been adhered to as far as possible:—

Foremen and Overseers	Persons not engaged in managerial or clerical duties, but with a degree of supervisory responsibility.
Skilled workers ..	Persons whose trade knowledge is acquired after three years' apprenticeship.
Semi-skilled workers ..	Persons whose trade knowledge is acquired in less than three years, but in not less than three months as a learner.
Unskilled workers ..	The remainder, but excluding apprentices and learners.

It is difficult to adhere exactly to these definitions, as apprenticeship systems are ill-defined, and it is usually impossible to draw any hard and fast line between the learner and the trained workman. A rough average of daily rates paid to workers in industry would be as follows:

Skilled	$6.00–$8.50
Semi-skilled ..	$5·00–$6.50
Unskilled	$3·50–$5·00

Although the building construction industry is largely under Chinese management, wages are remarkably uniform and have been determined by agreement among members of the Building Employers' Association. Wages are high compared with other industries, as an acute shortage of accommodation exists and there is little difficulty in passing on high costs to purchasers. Wages for manual workers in the dockyards, utility companies, and the Government are uniform and are based on an agreement reached between dockyard managements and the Chinese Engineers' Institute after a strike in 1947.

WAGES, HOURS OF WORK AND OVERTIME RATES FOR MANUAL WORKERS IN SELECTED INDUSTRIAL GROUPS, 1952

Industry	*Occupation*	*Male (M) or Female (F)*	*Standard Hours*		*Cash Earnings†*					
			Per Day	*Per Month*	*Daily Wage*		*Estimated Daily Total on Piece Rates*		*One Month (Monthly Basis)*	
					Min.	*Max.*	*Min.*	*Max.*	*Min.*	*Max.*
					$	$	$	$	$	$
Weaving .. .. (Cantonese Factories)	Unskilled	M	8–12	240–360	—	—	—	—	30	140
		F	8–12	240–360	2·00	4·00	—	—	—	—
	Semi-skilled	M	8–12	240–360	—		2·00	8·00	50	150
		F	8–12	240–360	2·50	5·40	2·00	8·00	—	—
	Skilled and Foremen	M	8–12	240–360	—	—	—	—	80	500
Weaving .. .. (Shanghai Factories)	Unskilled	M	8–11½	208–299	2·80	4·80	—	—	—	—
	Semi-skilled	M & F	8–11½	208–299	2·70	7·30	2·00	11·00	—	—
	Skilled	M	8–11½	208–299	4·44	11·00	—	—	—	—
	Supervisors and Overseers	M & F	8–11½	208–299	5·30	9·80	—	—	—	—
Cotton Spinning ..	Unskilled	M & F	8–11½	208–299	3·00	5·50	—	—	—	—
	Semi-skilled	M & F	8–11½	208–299	3·00	9·40	—	—	—	—
		M & F	8–11½	208–299	—	—	3·00	10·00	—	—
	Skilled	M	8–11½	208–299	3·20	12·00	—	—	—	—
	Supervisors	M & F	8–11½	208–299	6·00	12·00	—	—	—	—
Knitted Piece Goods ..	Unskilled (Packing & General Workers)	M	10	300	—	—	—	—	20	50
		F	10	300	2·00	4·00	—	—	—	—
	Semi-skilled	M	10	300	5·00	6·00	5·00	12·00	30	150
		F	10	300	*1·70	6·00	*1·50	9·00	—	—
	Skilled	M	10	300	—	—	—	—	150	450
	Foremen	M	10	300	—	—	—	—	150	600

WAGES, HOURS OF WORK AND OVERTIME RATES FOR MANUAL WORKERS IN SELECTED INDUSTRIAL GROUPS, 1952—*continued*

Industry	Occupation	Male (M) or Female (F)	Standard Hours		Cash Earnings†					
			Per Day	Per Month	Daily Wage		Estimated Daily Total on Piece Rates		One Month (Monthly Basis)	
					Min.	Max.	Min.	Max.	Min.	Max.
					$	$	$	$	$	$
Printing and Publishing	Unskilled	M	8	208	2·50	4·80	—	—	50	120
		F	8	208	*1·60	3·20	—	—	—	—
	Semi-skilled	M	8	208	6·00	8·00	—	—	70	280
	Skilled and Foremen	M	8	208	7·00	14·00	—	—	200	780
Rubber Shoe Industry..	Unskilled (General Workers)	M	9	270	2·00	4·00	—	—	—	—
		F			*1·70	3·00	—	—	—	—
	Semi-skilled	M	9	270	3·00	6·00	3·00	10·00	—	—
		F			—	—	2·00	8·00	—	—
	Skilled and Foremen	M	9	270	4·00	9·00	—	—	200	400
Manufacture of Metal Torch Cases	Unskilled	F	9	270	*1·10	2·00	—	—	—	—
	Semi-skilled	M	9	270	4·00	8·40	4·00	12·00	—	—
		F			2·00	2·80	—	—	—	—
	Skilled and Foremen	M	9	270	4·00	12·00	—	—	—	—
		M			—	—	—	—	270	595
Shipyard, Shipbuilding and Repair	Unskilled Semi-skilled	M	8	208	4·00	5·70	—	—	—	—
	Skilled	M	8	208	6·50	8·10	—	—	—	—
	Foremen	M	8	208	—	—	—	—	266	396
Public Utility .. .. (Electric Co.)	Coolie Grade	M	8	208	3·85	4·49	—	—	—	—
	Special Grade	M	8	208	7·80	8·60	—	—	—	—
	Skilled	M	8	208	8·87	9·48	—	—	—	—
Public Utility .. .. (Telephones)	Unskilled	M	8	208	—	—	—	—	135	145
	Semi-skilled	M	8	208	—	—	—	—	165	175
	Artisans Grade I	M	8	208	—	—	—	—	194	200
Transport .. .. (Trams)	Cleaners	M	8	208	6·20	7·40	—	—	—	—
	Artisans	M	8	208	6·60	7·80	—	—	—	—
	Conductors	M	8	208	7·80	9·00	—	—	—	—
	Motormen	M	8	208	8·60	9·80	—	—	—	—
	Fitters	M	8	208	9·40	10·60	—	—	—	—
Government Service ..	Unskilled	M	8	208	4·12	4·60	—	—	129	147
		F			3·16	3·56	—	—	—	—
	Semi-skilled	M	8	208	5·32	6·36	—	—	151	169
	Artisans	M	8	208	6·76	8·52	—	—	193	229
	Foremen Grade A	M	8	208	9·32	10·92	—	—	—	—

* Learners.

† In certain classes of employment food and/or accommodation may be provided by the employers. This is especially common in the textile industry.

The emigration of Chinese labourers through the Colony to other places is controlled by the Asiatic Emigration Ordinance, 1915, which provides that no emigrant ship leaving the Colony should carry emigrants except those who are not under a contract of service. All emigrants have to be medically inspected. The ship may not go to sea without a certificate from the Emigration Officer. The Ordinance is designed to protect the Chinese emigrant from exploitation and to ensure reasonable standards of accommodation on shipboard. Since the war, for political reasons there has been a considerable reduction in emigrant labour from China to the South Seas and to Malaya.

There is no forced or conscript labour, and ordinarily no necessity to go outside the Colony to recruit, except for certain specialised positions. Many Europeans are recruited for technical positions on contracts which include provision for repatriation on termination. In the past, Chinese have been engaged, usually from Shanghai, as specialised craftsmen. Their terms of service were often rather indefinite, but employers almost always repatriated such workers to their place of origin. Women also were engaged from Shanghai, mostly for work in the textile industry; such women were often employed as instructors and were repatriated when they had taught their trades to Cantonese.

The reopening of the phosphate workings of Nauru and Ocean Island after the war renewed the demand for Chinese labourers for mining purposes, and it was accordingly agreed in 1948 to permit recruitment on a carefully controlled scale, and under the guidance of the District Commissioner for the New Territories. Although the Asiatic Emigration Ordinance prohibits the signing of contracts before leaving the Colony, this difficulty was overcome by drawing up contracts, approved by the Commissioner of Labour and which incorporated the requirements of the Contract of Employment (Indigenous Workers) Convention, 1939, and which were explained to those who offered themselves for employment, but were not signed in the Colony.

In 1951 there were 836 Chinese workers employed on Nauru and Ocean Islands, and among them were many from the New Territories. In 1951 about 250 workers left the Colony to work in Borneo on Government building schemes and in oil production.

Fuel and Power (Including Water)

Electric Power

The generation of electric power is undertaken by two private companies, one of which operates on the island of Hong Kong, and one in Kowloon and the New Territories.

(*a*) The Hong Kong Electric Company Limited which supplies the island of Hong Kong had a total capacity in 1941 of 54,000 kW. The plant was severely damaged during the Japanese occupation, and it was only with difficulty that the company could generate a supply of 10,000 kW. at the liberation. Since 1945 the supply has been considerably increased, and the total capacity of the generating station is now 72,500 kW.

Owing to the boom conditions prevailing in industry and the large increase of population in post-war years, the plant has had to be operated almost continuously without proper overhaul, and it has sometimes been necessary to limit the peak load. Nevertheless, the total number of meters connected at the end of 1953 was 62,513, an increase of more than 2,000 over the previous year; 195,246,345 units of electricity were sold by the company during 1953, 14,500,000 more than in 1952.

(*b*) The China Light and Power Company supplies electricity to Kowloon and the New Territories. The total generating capacity of the company at the present time is 87,500 kW.

Transmission is carried out at 33 kV., 22 kV. and 6·6 kV., the distribution voltage being 350/200 volts 50 cycles and frequency being master controlled. All substations contain modern British metalclad switchgear and transformers.

PRODUCTION OF ELECTRICITY, 1947–54

(Monthly Average Production in '000 kW. h.)

	1947	1948	1949	1950	1951	1952	1953	1954
Lighting	3,299	4,346	5,644	7,282	8,394	9,151	10,064	10,725
Power	2,489	3,775	5,961	8,375	10,508	11,998	13,839	15,623
Traction	631	750	806	852	1,008	944	1,030	1,123
Bulk Supply	2,341	3,570	5,610	7,811	9,408	10,348	11,202	13,225
Public Lighting ..	72	94	117	139	155	174	209	273
Total	8,832	12,526	18,138	24,459	29,473	32,615	36,344	40,969

Gas

The Hong Kong and China Gas Company Limited supplies gas on both the Hong Kong and Kowloon sides of the harbour and dates back to 1861.

PRODUCTION OF GAS, 1947–54

(Monthly Average Production in '000 cu. ft.)

	1947	1948	1949	1950	1951	1952	1953	1954
Domestic	17,033	21,976	28,495	35,836	40,785	42,718	43,361	43,279
Industrial	—	—	1,867	2,267	2,049	2,110	2,447	2,895
Public Lighting ..	1,329	1,980	2,414	2,848	2,927	2,939	2,919	2,559
Total	18,362	23,956	32,776	40,951	45,761	47,767	48,727	48,733

Water Supplies

The Colony's water supply is under the control of the Public Works Department of the Government. There are no large rivers or underground sources of water and the Colony has to depend for its water supply on the collection in impounding reservoirs of the rains falling on upland gathering grounds. There are thirteen such reservoirs which collect the heavy southwest monsoon rains between May and September. There is little rain in the remainder of the year.

The total capacity of existing reservoirs is 5,970 million gallons, of which 2,362 millions are on the island. Of the remaining 3,608 million gallons on the mainland, 2,921 are contained in the Jubilee Reservoir at Shing Mun, the dam of which is the tallest in the British Empire. The large post-war increase in the population of the Colony has resulted in a demand which is still in excess of available resources and work is now proceeding on a new source of supply in the Tai Lam Chung Valley.

All water is supplied to consumers through meters and is charged for.

The average daily consumption of water in the Colony is about 33 million gallons, rising sometimes to over 40 million gallons.

III. FINANCE AND TRADE

Public Finance

Up to and including 1939 the Colony's financial year coincided with the calendar year, but was thereafter changed to the twelve months ending on 31st March. After the end of the war in the Far East and the Japanese occupation, British Civil Administration was resumed as from 1st May, 1946, and the first post-war budget covered a period of eleven months only. The table overleaf shows the figures of revenue and expenditure from 1938 to 1955.

HONG KONG REVENUE AND EXPENDITURE 1938–1955 (H.K.$)

Year	*Revenue*	*Expenditure*	*Surplus* (+) *or* *Deficit* (−)
1938 ..	36,735,855	37,175,898	− 440,043
1939 ..	41,478,052	37,949,116	+ 3,528,936
1940–41 ..	70,175,114	64,787,556	+ 5,387,558
1941–46 ..	—	—	—
1946–47 ..	82,141,556	85,624,391	− 3,482,835
1947–48 ..	164,298,310	127,701,174	+36,597,136
1948–49 ..	194,933,955	159,954,023	+34,979,932
1949–50 ..	264,250,543	182,121,726	+82,128,817
1950–51 ..	291,728,416	251,684,523	+40,043,893
1951–52 ..	308,564,248	275,855,951	+32,708,297
1952–53 ..	384,590,446	311,749,658	+72,840,788
1953–54 ..	396,881,966	355,407,770	+41,474,196
1954–55* ..	389,480,000	388,262,050	+ 217,950

* Revised estimates.

At the end of March, 1953, the Colony's accumulated surplus amounted to about $308,000,000 of which $197,000,000 was in the General Revenue Balance and $111,000,000 in the Revenue Equalisation Fund. The latter fund was established in 1953 by transfer from the General Revenue Balance of $100,000,000 and smaller amounts from other sources.

The main sources of revenue are duties, rates and internal revenue (which includes the main direct and indirect taxes).

Duties are levied on liquors, hydrocarbon oils, tobacco, perfumes and proprietary medicines, and the revenue collected in recent years has amounted to about one quarter of total revenue. Almost half of the amount collected under this head is in the form of tobacco duties, while the remainder comes chiefly from the duties on oils and liquor.

Rates (assessment tax) are levied at 15 per cent (plus a 2 per cent water rate) of the assessed rateable value of all property, and the tax provides approximately 10 per cent of all revenue.

Internal revenues, which now provide more than 40 per cent of the total, comprise the Earnings and Profits Tax, Stamp Duties, Betting and Sweepstake Tax, Business Registration Tax, Entertainment Tax, Estate Duty, and the Meals and Liquor Tax. The Earnings and Profits Tax is the chief contributor to revenue under this head, and in its present form was introduced in 1947. It is made up of four separate taxes: Property Tax, Salaries and Annuities Tax, Profits Tax, and Interest Tax. The standard rate of tax is 12½ per cent and this is charged in full on company profits and interest payments, but in other cases there is provision for allowances or for the tax to be assessed at a proportion or multiple of the standard rate. An individual may elect to be personally assessed on his total income, in which case he receives the advantages of certain personal allowances. The basic personal allowance is $7,000 and further allowances are made for a wife and children up to the number of nine. Tax on salaries and personal income is levied at rates varying from one-fifth of the standard rate on the first $5,000 of chargeable income, up to twice the standard rate on chargeable incomes over $45,000.

EARNINGS AND PROFITS TAX RECEIPTS (H.K. $'000)

	1947/48	1948/49	1949/50	1950/51	1951/52	1952/53
Property Tax	2,232	3,520	4,563	8,157	8,870	9,954
Profits Tax	10,793	32,728	28,621	30,832	33,005	86,743
Salaries and Annuities Tax ..	742	2,644	4,058	7,341	7,083	10,725
Interest Tax	374	1,263	1,438	1,964	2,520	3,063
Personal Assessment	—	130	138	213	384	1,179
Total	14,141	40,285	38,818	48,507	51,862	111,664

There has been a big jump in the amount of tax collected in recent years, but as arrears are overcome it is expected that revenue from this source will decline somewhat.

Estate Duty is levied at rates varying between 2 per cent in the case of estates valued at between $5,000 and $10,000, and 52 per cent on estates valued at more than $30,000,000. The total duty collected under this head in 1951/52 was just over ten million dollars.

HONG KONG REVENUE (H.K. $'000)

Head of Revenue	1938		1949/50		1950/51		1951/52		1952/53		1953/54	
	$'000	%	$'000	%	$'000	%	$'000	%	$'000	%	$'000	%
Duties	9,105	24·8	68,797	26·0	71,653	24·6	77,641	25·2	74,210	19·3	74,883	18·9
Rates	5,997	16·3	19,287	7·3	27,253	9·3	30,075	9·7	33,892	8·8	37,615	9·5
Earnings and Profits Tax..	—	—	38,818	14·7	48,507	16·6	51,862	16·8	111,664	29·1	160,462	40·4
Other Internal Revenue ..	4,104	11·2	33,763	12·8	37,045	12·7	48,033	15·6	49,620	12·9		
Licences, Fines, etc. ..	2,337	6·3	13,293	5·0	16,453	5·6	15,997	5·2	18,129	4·7	17,457	4·4
Fees of Court or Office ..	3,636	9·9	22,678	8·6	22,065	7·6	20,252	6·6	26,646	6·9	28,056	7·1
Water Revenue	2,316	6·3	7,657	2·9	8,155	2·8	8,339	2·7	8,264	2·1	8,853	2·2
Post Office	2,918	7·9	12,235	4·6	14,547	5·0	13,436	4·3	15,535	4·1	19,946	5·0
Kowloon Canton Railway	1,782	4·9	7,679	2·9	10,251	3·5	5,432	1·8	6,023	1·6	5,369	1·4
Revenue from Land, Rents	2,033	5·5	7,691	2·9	13,012	4·5	17,013	5·5	18,917	4·9	22,799	5·7
Miscellaneous Receipts ..	1,308	3·6	10,554	4·0	16,482	5·7	15,123	4·9	15,082	3·9	14,643	3·7
Grants or Loans from United Kingdom ..	—	—	16,000	6·1	—	—	—	—	—	—	—	—
Land Sales	1,200	3·3	4,786	1·8	5,973	2·0	4,574	1·5	5,447	1·4	6,059	1·5
Colonial Development and Welfare Grants	—	—	1,013	0·4	332	0·1	789	0·2	1,160	0·3	740	0·2
Other	—	—	—	—	—	—	—	—	—	—	—	—
Total Revenue ..	36,736	100·0	264,251	100·0	291,728	100·0	308,564	100·0	384,590*	100·0	396,882	100·0

* To this total should be added $100 millions withdrawal from General Revenue Balance.

HONG KONG: LIABILITIES AND ASSETS, 1952–54

Liabilities				*Assets*			
	1952 $ '000	1953 $ '000	1954 $ '000		1952 $ '000	1953 $ '000	1954 $ '000
Deposits	241	51,193	62,770	Cash	53,011	49,638	87,017
Suspense	1,256	29	31	Fixed Deposits	25,000	20,000	20,000
Special Funds	89,396	32,462	31,511	Imprests	—	—	7
Development Fund*		83,027	96,823	Suspense	55,650	106,953	87,890
Revenue Equalisation Fund	219,232	111,415	137,415	Advances	14,235	7,981	2,591
General Revenue Balance		196,962	242,437	Development Fund	214,976	83,027	96,823
				Investments		227,488	276,657
	362,772	475,088	570,987		362,772	475,088	570,986

* See Development Section for details of Development Fund liabilities and assets.

HONG KONG EXPENDITURE

(H.K. $'000)

Head of Expenditure	1938		1950/51		1951/52		1952/53		1953/54	
	$'000	%	$'000	%	$'000	%	$'000	%	$'000	%
Administration	2,876	7·7	30,066	11·9	44,704	16·3	46,529	14·9	57,556	16·2
Defence	7,211	19·4	1,687	0·7	2,433	0·9	33,622	10·8	31,643	8·9
Law and Order	4,872	13·2	18,692	7·4	26,223	9·5	36,515	11·7	40,106	11·3
Public Debt	1,352	3·6	3,908	1·6	9,011	3·3	5,785	1·9	3,766	1·0
Pensions	2,706	7·2	7,997	3·2	8,638	3·1	9,424	3·0	10,909	3·0
Agriculture, Fisheries and Forestry	139	0·4	1,467	0·6	2,096	0·8	2,470	0·8	2,031	·06
Public Works Department	2,214	6·0	4,378	1·7	8,114	2·9	13,308	4·3	17,480	4·9
Public Works (Recurrent)	1,811	4·9	14,692	5·8	14,936	5·5	17,886	5·7	19,629	5·5
Kowloon Canton Railway	1,164	3·1	4,442	1·8	4,743	1·7	4,576	1·5	4,155	1·2
Posts and Telecommunications	1,235	3·3	6,204	2·5	7,102	2·6	8,098	2·6	11,420	3·2
Sanitary Department and Urban Council	1,050	2·8	7,047	2·7	9,049	3·3	13,502	4·3	17,303	4·9
Chinese Affairs	141	0·4	2,519	1·0	3,093	1·1	4,225	1·4	3,173	0·9
Commerce and Industry	458	1·3	1,087	0·4	2,266	0·8	3,341	1·1	3,904	1·1
Co-operatives and Marketing	—	—	153	0·1	220	0·1	334	0·1	391	0·1
Labour	—	—	265	0·1	385	0·1	543	0·2	688	0·2
Education	2,139	5·7	4,739	1·9	6,371	2·3	9,125	2·9	11,336	3·2
Medical	2,407	6·5	11,975	4·8	15,762	5·7	21,339	6·8	23,704	6·7
Miscellaneous (¹)	3,501	9·4	109,874	43·7	88,576	32·1	42,776	13·7	64·942	18·3
Supplies and Distribution	—	—	804	0·3	—	—	—	—	—	—
Total Ordinary Expenditure	35,276	94·9	231,996	92·2	253,722	91·8	273,398	87·7	324,136	91·2
Public Works (Non-Recurrent)	1,900	5·1	19,269	7·6	21,430	7·9	37,113	11·9	30,607	8·6
Colonial Development and Welfare	—	—	420	0·2	703	0·3	1,239	0·4	665	0·2
Total Extraordinary Expenditure	1,900	5·1	19,689	7·8	22,133	8·2	38,352	12·3	31,672	8·8
Total Expenditure	37,176	100·0	251,685	100·0	275,855	100·0	311,750*	100·0	355,408	100·0

* $100 millions on transfer of surplus balances to Revenue Equalisation Fund not included.

(¹) Miscellaneous items in 1950/51 included Cost-of-Living allowances ($33 mn.), Loan expenditure ($50 mn.), and a contribution to reinforcing the garrison ($16 mn.). In 1951 the amounts under these three headings were respectively $23 mn., $27 mn., and $15 mn.

Above is a statement of the Colony's assets and liabilities as at 31st March, in 1952, 1953 and 1954.

The public debt of the Colony at the end of March, 1953, totalled $61,354,000 and was made up of four issues:

4 per cent Conversion Loan raised in 1933 and repayable not later than 31st August, 1953	$4,838,000
3½ per cent Dollar Loan raised in 1934	$3,720,000
3½ per cent Dollar Loan raised in 1940	$6,130,000
3½ per cent Rehabilitation Loan, 1973/78	$46,666,000

The Sinking Fund of the 4 per cent Conversion Loan is fully invested, and amounted to £264,760 7s. 4d. at the end of September, 1951. The two Dollar Loans are redeemable by 25 annual drawings. The Rehabilitation Loan, originally authorised to total $150 million, has been reduced to $100 million, and so far only the first $50 millions have been raised and spent. Additional rehabilitation expenditure, which by the end of September, 1951, had amounted to $27·6 millions, had been drawn from the Colony's surplus balances.

Currency and Banking

The unit of currency in the Colony is the Hong Kong dollar, the value of which in terms of sterling fluctuated considerably until the silver standard was abandoned in December, 1935. The Currency Ordinance, 1935, set up an Exchange Fund, and provided that the note-issuing banks should surrender to the fund all silver previously deposited against note issues, and should deposit full sterling cover for all note issues thereafter. Since 1935 the value of the Hong Kong dollar has been maintained at approximately 1s. 3d.

Notes of denominations from five dollars upwards are issued by the Hong Kong and Shanghai Banking Corporation, the Chartered Bank of India, Australia and China, and the Mercantile Bank of India. The Government issues notes of one dollar, ten cent, five cent and one cent denominations. Before the war there were in circulation nickel 10 cent and 5 cent coins and copper 1 cent coins, but these all disappeared from circulation after the outbreak of the war, and have been replaced by coins of nickel brass of 50 cent, 10 cent and 5 cent denomination. The total value of bank notes in circulation at the end of 1954 was $727,490,640.

BANK NOTES IN CIRCULATION
H.K.$

End Year	*Hong Kong and Shanghai Banking Corporation Limited*	*Chartered Bank of India, Australia and China*	*Mercantile Bank of India Limited*	*Total*
1947	616,142,086	55,909,725	3,110,275	675,162,086
1948	728,376,790	51,052,804	3,777,115	783,206,709
1949	753,376,790	45,358,296	4,188,990	802,924,076
1950	755,876,770	47,866 338	4,517,990	808,261,098
1951	755,876,770	40,596,568	3,657,225	800,130,563
1952	755,876,770	41,373,271	4,447,225	801,697,266
1953	755,742,086	42,003,673	4,466,225	802,211,984
1954	675,742,000	47,373,440	4,375,200	727,490,640

In addition to the three note issuing banks, there are 24 other incorporated banks which have world wide connections and which are authorised to deal in foreign exchange. There are also in the Colony about 100 Chinese banks which handle a considerable volume of remittances from Chinese living overseas to their relatives in China. In January, 1948, the Banking Ordinance was passed, according to which no company may carry on banking business without being licensed.*

There is no central bank, in the usually understood sense, in the Colony, but this role is largely filled by the Hong Kong and Shanghai Bank with which most of the other banks hold deposits and which also acts for the Government as necessary.

Transactions between banks are carried out through the Clearing House Association which has 25 members. These members themselves act as subsidiary clearing agencies for the smaller banks which hold deposits for this purpose with the members of the Clearing House Association. The figures in the table below, which generally reflect the value of the Colony's trade, represent, therefore, not only the clearing of cheques originating with the member banks, but also those of the smaller firms.

CLEARING HOUSE FIGURES
(Monthly Averages)

Year	*H.K.* $'000
1947	549,587
1948	688,972
1949	917,139
1950	1,199,509
1951	1,505,859
1952	1,195,401
1953	1,033,389

The Colony is included in the sterling area and exchange control is administered under powers conferred by the Defence (Finance) Regulations of 1940. The Hong Kong money market, as a foreign exchange and gold market, is an officially tolerated open market for U.S. dollars. The market serves to finance the Colony's entrepôt trade at a time when Sterling Area Controls might force East Asian and Chinese shippers to by-pass the Colony. Sterling area interests are protected by Government control of sterling transfers. The basis of the market's operations is that exchange earned from shipments to the U.S. dollar area of goods originating in Hong Kong, Macao, South Korea, China and Formosa, does not have to be surrendered or sold at fixed rates. Imports from the U.S. dollar area are financed from U.S. dollars bought in the open market.

Private Investment

The following table shows the number of private and public companies registered in Hong Kong from 1865 up to the end of 1952, and their total capital. Companies registered and subsequently struck off the register are not included :—

Years	*No. of Companies Registered*	*Total Capital* $
1865–1900 ..	29	263,954,940
1901–1914 ..	42	54,443,920
1915–1918 ..	28	132,670,016
1919–1930 ..	220	482,170,326
1931–1939 ..	521	385,766,267
1940	85	40,896,400
1941	71	21,776,500
1946/47	432	991,200,919
1947/48	283	934,875,356
1948/49	223	437,830,150
1949/50	276	256,984,020
1950/51	187	202,788,000
1951/52	248	221,705,300
1952/53	229	280,569,677

There are no figures available which would give an accurate picture of private investment in the Colony, but certain trends are noticeable. It is difficult to trace foreign investment entering Hong Kong, but it is known that since the Communists came to power in China considerable capital which formerly found employment in China has been entering Hong Kong. In a number of cases industrialists have moved from the cities of North China into Hong Kong bringing their machinery and skilled workers with them. It was in this way that the rapidly expanding cotton spinning industry was established.

With the restriction of Hong Kong's entrepôt trade in recent years capital has been seeking outlets in local manufacturing industries. There has also been considerable investment in new buildings, hotels and other real estate and in public utilities.

Cost of Living

When Civil Government was resumed in the Colony in May, 1946, the internal purchasing power of the dollar had declined considerably compared with before the war. In particular, the high price and shortage of the staple food, rice, had a serious effect on living standards and costs. In March, 1939, a " catty " of rice of good quality (about 1·3 lb.) had cost 7 cents, but by early in 1947 the controlled and rationed price was 44 cents, and in the free market the price of the cheapest quality rice varied between 95 cents and $1·35. In order to make an accurate assessment of the extent to which the cost of living had risen, Retail Price Index figures were calculated, firstly on a 1939 base, and later taking 1947 as a base year. The index is based on the pattern of expenditure of Asian and Portuguese clerical workers and artisans, who may be described as Hong Kong's middle class, and whose expenditure contains features characteristic both of the lower paid Asian workers in the matter of foodstuffs, and of the European community, chiefly in the shape of clothing and certain other amenities. Compared with 1939 the index revealed that prices had risen six or sevenfold by 1947, and that in the post-war period the rising trend was continuing, although more slowly and subject to a marked seasonal variation.

The way in which the total family expenditure was distributed between the main groups is shown below :—

Food	51·0 per cent
Rent	9·0 ,, ,,
Clothing	7·0 ,, ,,
Fuel and Light	5·0 ,, ,,
Cleaning	2·5 ,, ,,
Other	25·5 ,, ,,
	100·0 ,, ,,

In the category of " Other " expenditure the largest items are: Education 3·5 per cent, tobacco 3 per cent, medical 2·5 per cent, and fares 2·25 per cent. The table shows the changes in the index and its components since 1947, together with, below, the figures up to 1949 using 1939 as the base year.

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* A more detailed account of the monetary and banking system in Hong Kong will be found in " The Monetary System of Hong Kong " by F. H. H. King (Weiss, Hong Kong, 1953).

In 1953 the Government was still engaged in the procurement of certain essential supplies, notably rice, sugar, frozen meat, coal and firewood. Flour was returned to commercial trading in 1951. Ration schemes are in operation for sugar, butter, and, for part of the year, coal and firewood. Rice was rationed until August 1954, the amount of the ration per person until that time being about 22 lb. per month. In addition small direct issues are made to the Social Welfare Office and other charitable bodies. The price of rice in Hong Kong is extremely high, in mid 1954 the retail price being $95·50 per picul (133⅓ lb.) compared with $70·75 per picul in neighbouring Macao. Importers' margins are in excess of 30 per cent.

GENERAL PRICE INDEX FIGURES

(March, 1947 = 100)

	Dec., 1947	*Dec.,* 1948	*Dec.,* 1949	*Dec.,* 1950	*Dec.,* 1951	*Dec.,* 1952	*Dec.,* 1953
I.	83	90	122	111	125	124	139
II.	100	100	103	101	103	103	104
III. Clothing	83	73	73	92	113	101	92
IV. Fuel, Light, Cleaning:							
(*a*) Fuel	98	104	110	132	139	110	102
(*b*) Light	79	65	62	59	61	65	61
(*c*) Cleaning	93	96	93	96	95	93	91
V. Other Items:							
(*a*) Education	100	100	100	109	109	132	138
(*b*) Tobacco and Cigarettes	100	100	113	113	113	113	113
(*c*) Doctors and Medicines ..	91	104	104	107	112	110	108
(*d*) Fares	100	100	100	100	100	100	100
(*e*) Household Equipment ..	79	80	108	92	123	114	117
(*f*) Hairdressing	104	111	125	125	122	123	122
(*g*) Newspapers and Stationery	100	130	130	130	213	193	173
(*h*) Shoe Repairs	75	87	79	84	91	79	81
(*i*) Rates	100	100	100	100	100	100	100
General Retail Price Index	88	92	112	108	120	118	125
General Retail Price Index, 1939=100	503	512	653	—	—	—	—

Balance of Trade

Hong Kong's place in international trade is as a collecting and distributing centre to which goods are sent, and through which they pass, for storage, repacking and transhipment. Originally the port was an entrepôt for China, but now, although it retains this function to a large extent, it has become increasingly an entrepôt for the whole of the Far East with Malaya, Thailand, Indonesia and Japan among others playing a growing part in its trade. Because its economy is dominated by this huge distributive trade, Hong Kong's chief " industries " are banking, insurance, storage and transhipment, and although production is becoming a more important feature of the Colony's life much of its prosperity rests on the efficiency and adequacy of the harbour, the wharves, and the godowns.

There are three large wharf and godown companies in Hong Kong. The oldest and largest is the Hong Kong and Kowloon Wharf and Godown Company Ltd., which operates over 100 godowns with a total storage space for about 750,000 tons of cargo, and berths for ten ocean going vessels and one coastal vessel. Holt's Wharves are capable of berthing ships of up to 15,000 tons and have storage space for some 25,000 tons of cargo. The China Provident Loan and Mortgage Co. has no wharves at present, but some are planned; its godowns have a capacity of some 110,000 tons of cargo. For further details concerning the port, see page 73.

The following table shows the total value of imports and exports of merchandise for the years 1937 to 1954 (excluding the years of Japanese occupation).

IMPORTS AND EXPORTS, 1937–1954

Year	*Imports* $	*Exports* $
1937	617,063,967	467,322,721
1938	618,168,937	511,902,777
1939	594,199,224	533,385,203
1940	752,738,508	621,751,690
1941–44	—	—
1945 (Nov. and Dec.)	25,373,987	14,432,295
1946	933,474,552	765,634,950
1947	1,549,931,481	1,216,833,624
1948	2,077,538,615	1,582,739,710
1949	2,750,201,801	2,318,902,992
1950	3,787,661,653	3,715,552,373
1951	4,870,314,536	4,433,027,705
1952	3,779,487,484	2,899,010,064
1953	3,872,669,640	2,733,721,224
1954	3,435,419,225	2,417,015,601

The decline in the value of trade in 1952–3 is a reflection of both the decline in world prices and the disturbed political conditions in the Far East which have led to a marked reduction in trade with China. An indication of how the volume of trade has been affected in post-war years is provided by the tonnages of commercial cargo discharged and loaded.

COMMERCIAL CARGO TONNAGES JUNKS, RIVER STEAMERS AND OCEAN GOING VESSELS

(Monthly Averages)

Year	*Discharged* Tons	*Loaded* Tons
1947	220,009	98,898
1948	232,369	101,893
1949	304,708	151,978
1950	355,434	208,164
1951	306,596	159,614
1952	279,097	125,921
1953	274,264	123,926
1954	298,420	123,769

There has been a great increase in the value of Hong Kong's trade compared with the pre-war period, but the changes which may have taken place in the structure of the trade have been obscured to some extent by the various political forces which have been operating in the Far East since 1945. Thus, the great China trade on which so much of the Colony's prosperity rested before the war has been distorted by the Civil War and its aftermath, as well as the consequences of the Japanese invasion and more recently by the effects of Chinese participation in the Korean war which led to the placing of embargoes of varying severity on trade with China by members of the United Nations. In 1938 about 37 per cent of Hong Kong's imports were from China, while in the post-war years the figure dropped to an average of just over 20 per cent. Exports, too, which before the war amounted to about 45 per cent of the total are a substantially lower proportion. Hong Kong's imports from Japan in 1938 amounted to about 3½ per cent of all imports. In 1952 the proportion had risen to nearly 13 per cent, and in that year of declining trade it is noteworthy that imports from Japan did not fall but increased by nearly $100 millions. The restrictions placed on trade with the Chinese mainland in accordance with the U.N. resolution of May, 1951, and the inclusion of Hong Kong in the United States embargo on trade with China, have been to some extent compensated for by a relatively larger amount of business being done with other countries of South East Asia. A further factor has been the increasing tendency of the Central People's Government to conduct its external trade through barter agreements and other bilateral arrangements in such a way as to result in the by-passing of Hong Kong's entrepôt facilities.

DIRECTION OF TRADE: ORIGIN OF IMPORTS, 1938, 1948–53

(H.K. $'000)

Country of Origin	1938	1948	1949	1950	1951	1952	1953
United Kingdom	56,415	300,928	387,705	404,713	619,057	470,384	474,354
Malaya	7,601	84,655	108,192	300,213	394,069	163,898	177,485
Other Commonwealth	37,134	193,605	333,462	462,967	617,964	439,464	398,765
Burma	5,139	34,241	18,404	17,903	9,879	28,713	45,558
Germany	39,039	4,512	7,790	37,517	214,278	118,897	212,745
China	233,264	430,601	593,492	857,951	863,100	830,266	857,136
Formosa	*	*	*	*	62,367	44,682	74,019
Macao	13,650	89,089	77 648	104 405	103,595	61,907	66,588
Indo-China	34,419	30,179	21,508	30,190	50,769	42,942	39,234
Japan	18,781	79,123	80,810	229,986	392,262	482,208	384,079
Thailand	36,241	96,224	110,189	182,133	155,597	204,658	289,797
U.S.A.	54,706	387,466	575,454	655,258	373,524	221,064	224,909
All others	81,780	346,916	435,548	504,426	1,013,854	670,404	628,030
Total	618,169	2,077,539	2,750,202	3,787,662	4,870,315	3,779,487	3,872,669

DIRECTION OF TRADE: DESTINATION OF EXPORTS, 1938, 1948–53

(H.K. $'000)

Country of Destination	1938	1948	1949	1950	1951	1952	1953
United Kingdom	21,219	75,092	139,748	168,283	214,598	83,366	119,255
Malaya	36,882	204,749	239,975	542,796	740,623	417,554	337,188
Other Commonwealth	22,287	131,986	216,600	288,359	414,830	198,046	262,366
Burma	3,125	12.093	17 977	23,318	40,929	53,320	39,050
Germany	13,139	4,904	16,806	48,866	33,027	33,872	21,918
China	230,727	280,478	584,624	1,461,142	1,603,795	520,032	540,348
Formosa	*	*	*	*	139,379	207,435	105,779
Macao	20,839	136,406	268,542	208,383	228,353	88,855	88,198
Indo-China	23,155	19,200	19,711	22,603	34,033	35,170	38,191
Japan	3,319	49,057	70,137	120,682	192,527	123,628	221,586
Thailand	15,970	140,153	115,841	98,475	89,771	243,090	206,720
U.S.A.	52,041	152,452	234,457	308,691	162,547	113,490	62,369
All others	69,199	376,170	394,485	423,954	538,616	781,152	690,753
Total	511,902	1,582,740	2,318,903	3,715,552	4,433,028	2,899.010	2,733,721

* Up to 1951 Formosa was included in China.

Both the direction of trade and the commodities carried have been affected by political considerations. Most notable has been the drop in imports and exports of crude rubber, base metals, and machinery, between 1951 and 1952–3. The trade in rubber (most of which entered the Colony from Malaya and was exported to China) almost disappeared after 1951 because of the U.N. embargo, whilst for the same reason imports and exports of base metals and ores dropped by about half. The value of food imports alone continued to rise in 1952 and 1953, but the export of food, in common with almost all categories of exports, fell.

Some recovery of imports took place in 1953, but exports in general continued to fall. The trade in chemicals

HONG KONG IMPORTS, 1938, 1948–53

Monthly Averages ($'000)

	1938	1948	1949	1950	1951	1952	1953
Food, drink and tobacco	14,645	40,270	54,309	75,092	83,436	91,348	101,163
Oils, fats and oilseeds	7,671	11,086	13,226	25,108	21,335	20,024	15,637
Chemicals, drugs, dyes, fertilisers	4,758	17,439	21,304	36,614	54,668	34,157	42,124
Rubber and rubber manufactures	—	3,057	4,155	19,515	29,482	1,658	1,558
Wood and cork manufactures	—	3,213	4,183	5,274	7,367	6,742	6,290
Paper and paper products	1,229	8,403	8,046	8,470	15,239	8,846	7,538
Hides, skins, leather and fur goods	739	1,469	2,488	2,555	3,525	2 654	3,139
Textiles (raw, spun and fabrics)	6,653	33,813	42,106	61,927	75,249	60,788	57,242
Clothing and footwear	423	2,116	2,338	3,057	4,170	2.407	3,048
Fuels and lubricants	1,439	9,911	13,054	11,634	13,058	10,877	9,380
Non-metalliferous mineral products	—	3,417	3,923	3,907	5,739	6,980	4,894
Precious metals and stones	—	928	3,317	999	2,264	3,011	3,221
Base metals, ores and manufactures	4,684	14,179	18,050	20,366	31,567	16,879	14,496
Machinery and vehicles	3,196	10,044	15,778	15,440	22,959	16,555	17,560
Other	6,077	13,783	22,906	25,680	35,802	32,031	35,425
Total	51,514	173,128	229,183	315,638	405,860	314,957	322,722

HONG KONG EXPORTS—COMMODITY GROUPS, 1938, 1948–53

Monthly Averages ($'000)

	1938	1948	1949	1950	1951	1952	1953
Food, drink and tobacco	10,906	20,488	33,140	43,774	46,390	39,120	38,903
Oils, fats and oilseeds	7,322	11,951	15,726	22,839	18,049	13,947	12,896
Chemicals, drugs, dyes, fertilisers	4,253	10,942	16,390	37,063	56,300	39.899	42,556
Rubber and rubber manufactures	—	2,702	3,990	19,679	29,218	131	205
Wood and cork manufactures	—	688	1,003	1,271	2,098	2,641	2,476
Paper and paper products	865	5,538	8,026	7,715	13,728	7,433	4,526
Hides, skins, leather and fur goods	397	1,729	2,456	2,960	2,815	1,259	1,406
Textiles (raw, spun and fabrics)	4,653	32,957	45,156	71,763	71,209	50,743	45,138
Clothing and footwear	1,713	6,133	8,924	16,005	20,332	20,833	23,183
Fuels and lubricants	94	5,965	6,516	7,128	2,271	592	395
Non-metalliferous mineral products	—	1,921	2,270	3,068	4,155	5,085	2,835
Precious metals and stones	—	397	501	571	986	1,724	594
Base metals, ores and manufactures	4,393	13,661	20,102	28,650	37,465	14,580	11,720
Machinery and vehicles	2,947	3,717	5,565	12,498	19,599	9,682	9,664
Other	5,116	13,106	23,477	34,645	44,804	33,915	31,313
Total	42,659	131,895	193,242	309,629	369,419	241,584	227,810

and medicines improved, as did the exports of clothing and footwear, but these were the exceptions in a general recession of trade which persisted into the summer and autumn of 1954.

It is not possible to determine what proportion of the exports are made up of the domestic production of the Colony, but some details are available of the quantity and value of exports of goods manufactured in Hong Kong. During the year 1952 their total value was about H.K.$490 millions or about one-sixth of the value of all exports.

In 1953 the value of locally manufactured exports was $635,000,000, of which over one third went to Indonesia. Other major purchasers were Thailand (12 per cent), Malaya (11 per cent), and the U.K. (5·5 per cent). The value of these exports in 1953 accounted for nearly one-quarter of the Colony's total exports although part of this increase is due to a wider range of goods being included in the recorded statistics and also to the fact that the Colony's trade as a whole showed a decline in 1953. In 1954 the value of local manufactures exported rose to $682,000,000—28 per cent of all exports.

EXPORTS OF CERTAIN LOCALLY MANUFACTURED GOODS, 1952

Item	*Unit*	*Quantity*	*Value H.K. $'000*
Preserved fruits, jams, ginger, etc.	lb.	16,126,832	18,347
Paints, varnishes, etc.	,,	5,496,646	9,801
Cotton yarn and thread	,,	32,044,384	137,516
Unbleached piece goods	sq. yd.	17,192,473	26,089
Iron and steel bars	cwt.	132,475	5,429
Enamelware	—	—	44,239
Aluminium ware	—	—	6,013
Torch batteries	No.	54,625,324	13,932
Torch bulbs	doz.	5,656,038	4,054
Electric torches	,,	1,973,650	40,043
Metal lamps	,,	36,459	6,644
Cotton singlets	,,	4,845,688	95,255
Shirts	,,	1,086,574	49,241
Canvas shoes	doz.prs.	308,175	11,562
Rubber footwear	,,	109,288	6,317
Plastic ware	—	—	5,136
Vacuum flasks	doz.	88,054	5,789
Cigarettes	lb.	349,145	1,992

PRINCIPAL IMPORTS BY VOLUME AND VALUE, SHOWING MAIN SOURCES (1950–1952)

		1950			1951			1952		
Article	*Unit*	*Quantity*	*Value H.K. $'000*	*Principal Countries of Origin (with amounts in H.K. $ Millions)*	*Quantity*	*Value H.K. $'000*	*Principal Countries of Origin (with amounts in H.K. $ Millions)*	*Quantity*	*Value H.K. $'000*	*Principal Countries of Origin (with amounts in H.K. $ Millions)*
Swine	number	273,297	34,606	China (all).	299,523	37,472	China (all).	620,201	97,268	China (all).
Eggs	gross	2,152,255	33,189	China (23), Macao (8).	3,075,016	53,744	China (47).	2,924,788	51,734	China (47).
Cuttlefish	cwt.	191,829	19,620	S. Korea (10), Japan (9).	236,880	19,226	Japan (17), Macao (1).	234,732	18,614	Japan (18).
Rice (white) unbroken ..	"	2,516,636	153,530	Thailand (118), China (25).	3,179,600	147,268	Thailand (77), China (40), Indo China (18).	2,951,523	146,328	Thailand (109), Burma (16), Italy (9).
Flour	"	1,442,460	52,996	Australia (28), Canada (19), U.S.A. (6).	951,020	35,497	Canada (18), Australia (16).	929,129	40,135	Canada (27), U.S.A. (7), Australia (5).
Macaroni, etc.	lb.	10,398,339	11,738	China (all).	8,892,249	10,520	China (10).	10,051,664	14,331	China (14).
Sugar (refined)	cwt.	1,686,980	82,384	China (66), U.K. (5).	856,760	43,413	Formosa (27), U.K. (7), Holland (6).	209,150	10,329	Formosa (7), Indonesia (2).
Tobacco leaf	lb.	8,708,907	26,054	U.S.A. (21).	20,129,692	30,020	India (13), U.S.A. (16).	5,868,775	20,467	U.S.A. (16), India (3).
Cigarettes	"	5,630,827	42,203	U.S.A. (26), U.K. (15).	7,051,458	49,438	U.S.A. (34), U.K. (15).	3,638,235	32,602	U.S.A. (18), U.K. (14).
Groundnuts (shelled) ..	cwt.	664,775	38,365	Thailand (5), China (30).	512,400	38,348	China (31), Thailand (5).	228,872	19,060	China (14), Thailand (5).
Soya beans	"	564,500	23,564	China (23).	538,400	27,711	China (24), U.S.A. (3).	650,492	31,546	China (31).
Groundnut oil	"	303,418	35,080	China (24), Thailand (8).	204,640	33,218	China (12), Indonesia (7), Thailand (9).	334,227	37,446	China (16), India (14), Thailand (4).
Teaseed oil	"	241,756	29,288	China (29).	54,460	9,470	China (9).	114,874	14,355	China (all).
Wood oil (Tung)	"	924,752	129,388	China (128).	476,920	84,817	China (84).	321,305	59,108	China (59).
Pharmaceutical products ..	—	—	165,954	U.S.A. (103), U.K. (24).	—	197,014	U.K. (49), Holland (20), Germany (20), U.S.A. (16), China (13), France (12), Switzerland (8), Denmark (9), Macao (14).	—	46,237	U.K. (16), U.S.A. (5), Italy (5), Germany (4), Macao (3).
Coal tar dyestuffs	cwt.	109,480	68,997	U.S.A. (23), Germany (11), U.K. (9).	127,040	99,251	Germany (42), U.K. (13), France (12).	27,899	24,699	Germany (12), U.K. (6), Switzerland (3).
Paints, enamels, varnishes..	—	—	17,800	U.S.A. (5), U.K. (4).	—	31,672	U.K. (9), Holland (4), China (4).	—	11,441	U.K. (5), China (5).
Crude rubber	cwt.	829,965	213,662	Malaya (205).	795,480	298,763	Malaya (283), N. Borneo (12), Indonesia (3).	37,962	7,978	Malaya (7), N. Borneo (1).
Newsprint	reams	1,281,512	23,009	Norway (7), Austria (4).	1,323,338	50,718	Norway (16), Sweden (10), Japan (7).	—	18,281	Norway (9), Sweden (2), Canada (2).
Other paper	cwt.	378,619	23,587	Norway (9), Sweden (6).	339,480	46,879	Norway (13), Sweden (8), Finland (5).	118,688	17,124	U.K. (4), Sweden (3), Norway (2), Italy (2).
Cigarette papers	"	45,612	8,300	U.S.A. (5).	30,100	6,782	Japan (2), U.S.A. (1), U.K. (1).	10,195	2,458	France (1).
Raw cotton	"	694,194	154,684	Pakistan (88), U.S.A. (51).	616,300	232,127	Pakistan (141), S. America (40), Turkey (15), Egypt (13).	571,746	169,311	Pakistan (89), E. Africa (30), Egypt (14), Brazil (3).
Cotton yarn	lb.	38,498,263	108,355	India (73), China (20), U.K. (10).	16,837,213	72,018	India (39), U.K. (17), Italy (10).	27,473,922	114,927	Italy (50), India (16), U.K. (19), Egypt (7), India (16).
Cotton piece goods ..	yds.	122,337,766	156,182	India (31), Japan (30), China (21).	97,320,378	169,027	Japan (70), India (33), U.S.A. (24), U.K. (15).	90,864,699	135,903	Japan (86), U.S.A. (9), U.K. (11), Malaya (8).
Gunny bags	number	16,633,520	43,940	India (34).	5,393,409	22,354	India (14), U.K. (1).	4,252,386	12,881	India (12).
Coal	tons	317,124	22,078	India (8), China (8).	277,623	29,264	India (19), Indonesia (5), China (3).	305,594	33,119	India (23), Indonesia (4), Indo-China (2).
Motor spirit	imp. gals.	23,789,786	23,430	Indonesia (11).	15,988,843	17,382	Indonesia (9).	12,042,198	11,941	Malaya (10), Indonesia (1).
Gas oil and fuel oil.. ..	tons	495,017	60,334	Indonesia (39).	495,070	73,944	Indonesia (43), Malaya (5), U.S.A. (3).	412,229	60,719	Malaya (55), Indonesia (5).
Textile machinery	—	—	14,714	U.K. (5), U.S.A. (4), Japan (3).	—	40,490	U.K. (16), Switzerland (8), Japan (8), Italy (4).	—	29,869	U.K. (19), Japan (4), Belgium (2).
Bristles	cwt.	19,932	42,078	China (42).	13,604	29,677	China (29).	10,071	21,631	China (21).
Watches and parts	—	—	61,323	Switzerland (52), U.S.A. (9).	—	87,792	Switzerland (83).	—	93,647	Switzerland (89), Malaya (4).

PRINCIPAL EXPORTS BY VOLUME AND VALUE, SHOWING MAIN DESTINATIONS (1950–1952)

Article	Unit	1950			1951			1952		
		Quantity	*Value H.K. $'000*	*Principal Countries of Destination (with amounts in H.K. $ Millions)*	*Quantity*	*Value H.K. $'000*	*Principal Countries of Destination (with amounts in H.K. $ Millions)*	*Quantity*	*Value H.K. $'000*	*Principal Countries of Destination (with amounts in H.K. $ Millions)*
Sugar (refined)	cwt.	1,166,262	56,641	China (34), Malaya (8), Japan (7).	1,249,260	64,830	Malaya (31), China (12), Japan (9), Macao (5).	628,396	29,682	Malaya (15), Macao (4), S. Korea (3), N. Borneo (3), Japan (2).
Oilseed cake	„	1,748,328	36,562	China (29), Malaya (3).	405,086	13,650	U.K. (7), Malaya (2).	287,986	6,376	U.K. (4), Malaya (2).
Cigarettes	lb.	3,958,057	32,038	Malaya (10), Macao (8), China (8).	3,499,797	23,762	Malaya (12), Macao (6), N. Borneo (2), China (2).	1,455,674	10,164	Macao (4), Malaya (3), Burma (2).
Groundnuts (shelled) ..	cwt.	518,474	29,401	Holland (9), Japan (7), Macao (3).	308,920	26,469	Japan (16), Australia (2), Belgium (2).	110,547	11,280	Japan (5), Australia (3), Germany (2).
Groundnut oil	„	193,886	21,243	China (7), Belgium (5), Holland (4).	28,200	4,837	Macao (2), Malaya (2).	129,143	13,893	Formosa (4), Germany (3), Holland (2), Macao (2).
Teaseed oil	„	249,965	32,522	U.K. (32).	43,820	8,293	U.K. (8).	82,935	9,901	U.K. (8), Germany (2).
Wood oil (Tung)	„	881,092	130,266	U.S.A. (74), U.K. (18).	511,900	101,607	U.K. (46), Holland (14), Germany (10), Australia (7).	294,722	50,979	Holland (17), U.K. (16), Japan (4), Canada (3), Germany (2).
Pharmaceutical products ..	—	—	143,556	China (104), Macao (15), Malaya (10).	—	228,601	China (166), Macao (41), Malaya (13), Formosa (5).	—	74,505	China (36), Malaya (10), Thailand (6), Macao (6), Formosa (6).
Coal tar dyestuffs	cwt.	113,821	68,256	China (62), Macao (2).	104,520	100,649	China (90), Macao (3), Formosa (3).	38,644	34,415	China (28), Formosa (5).
Paints, enamels, varnishes ..	—	—	19,567	China (7), Malaya (4), Thailand (3).	—	32,649	China (10), Japan (8), Malaya (5), Thailand (3).	—	17,303	Japan (6), Malaya (4), Thailand (3), Burma (1).
Crude rubber	cwt.	825,927	205,732	China (202).	754,440	329,426	China (323).	512	99	Japan (·09).
Motor tyres	number	87,993	24,504	China (23).	23,441	17,000	China (13), Macao (4).	2,007	413	Indonesia (·1).
Newsprint	reams	914,173	19,904	China (13), S. Korea (4).	929,924	45,315	China (34), Indonesia (3), Formosa (2).	175,336	13,578	China (11), S. Korea (1).
Other paper	cwt.	268,929	19,488	China (9), Indonesia (2).	290,920	50,937	China (31), Indonesia (11), Formosa (3).	87,735	12,428	China (6), Indonesia (3), Formosa (2).
Wool (scoured)	„	43,456	31,012	China (22), U.K. (3).	24,700	29,812	China (19), Japan (3), Macao (2).	5,448	5,477	China (5).
Raw cotton	„	535,189	112,878	China (112).	—	—	—	100	15	Macao (all).
Cotton yarn	lb.	65,113,875	195,020	Pakistan (96), Indonesia (44), China (18).	45,832,793	256,899	Pakistan (162), Indonesia (38), Burma (22).	36,433,640	159,938	Pakistan (42), Indonesia (41), Formosa (31), Burma (24), Thailand (13).
Fabrics of synthetic fibres ..	yds.	37,887,979	64,296	Malaya (46), Thailand (7).	34,204,555	68,964	Malaya (51), Thailand (10).	18,806,015	29,947	Malaya (13), Thailand (7), Indonesia (5).
Cotton piece goods ..	„	158,888,952	204,814	Malaya (48), China (44).	160,103,602	296,900	China (82), Malaya (50), Indonesia (49), U.K. (37), Australia (22).	164,981,039	239,422	Indonesia (142), Thailand (36), Formosa (18), Malaya (15).
Underclothing	—	—	34,866	U.K. (13), Malaya (11).	—	40,948	Malaya (15), E. Africa (4), Indonesia (4), U.K. (3).	—	102,563*	Indonesia (44), Malaya (29), Thailand (19).
Table linen, bed and toilet linen	—	—	17,827	Malaya (9), U.K. (3), Thailand (1).	—	12,439	Malaya (7), U.K. (1).	—	25,044	Malaya (7), Japan (3), Thailand (5).
Gunny bags	number	24,277,267	67,885	China (58), Indonesia (5).	6,068,708	27,946	China (25), Indo China (1).	4,844,139	14,630	Formosa (7), Thailand (4), Burma (2), China (2).
Gas oil and fuel oil	tons	55,297	18,181	China (12), Macao (5).	13,213	4,018	Macao (2), Thailand (2).	5,845	1,787	Macao (0·9), Thailand (0·9).
Wolframite	cwt.	50,600	14,924	China (12), U.K. (1).	3,848	4,748	U.K. (2), Holland (1).	—	—	—
Enamel ware	—	—	28,363	Malaya (5), Thailand (4), Indonesia (4).	—	36,130	Indonesia (18), Malaya (6), W. Africa (4).	—	44,239	Indonesia (19), Thailand (9), British Africa (6).
Electric torches	dozen	1,641,544	32,253	Malaya (5), S. America (5), U.K. (2).	1,784,334	43,282	India (7), S. America (6), Indonesia (7), Malaya (3), U.K. (2).	1,973,650	40,043	India (8), Indonesia (6), S. America (6), British Africa (3), U.K. (2).
Pig and boar bristles ..	cwt.	31,594	80,740	U.S.A. (73), U.K. (4).	9,224	29,204	U.S.A. (26).	13,086	35,165	U.S.A. (34), Japan (1).
Feathers	—	—	38,105	U.S.A. (16), Germany (9), Denmark (4).	—	57,234	U.S.A. (47), Norway (4), Germany (2).	—	30,195	U.S.A. (17), Germany (5), Norway (4).
Watches and parts	—	—	46,397	Malaya (42), Japan (2).	—	83,139	Malaya (74), China (6).	—	33,977	Malaya (17), China (13).

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* Including singlets.

IV. DEVELOPMENT

Government Activities and Plans

Under the terms of the Colonial Development and Welfare Act of 1945 the sum of £1,000,000 was allocated by H.M. Government to Hong Kong. A committee, composed of official and unofficial members, was appointed in June, 1946 to produce a development plan which would be financed from the grant of one million pounds and also from such funds as the Colony might be able to set aside for development.

The Colony has produced, however, no formal ten year development plan, but several works of a development character are being carried out both from the Colonial Development and Welfare funds and from the Development Fund which was set up in 1951. In general it is the policy of the Government to finance its development expenditure so far as possible out of current revenue.

It was originally planned to spend the Colonial Development and Welfare grant by allowing £500,000 for urban development and a similar amount for the rural areas, but because of the generally satisfactory progress which has been made by the farmers and fishermen over the past few years it is now considered that the most pressing need is for the provision of adequate housing in the towns.

Up to 31st July, 1952, £294,343 had been committed on approved schemes out of the £1,000,000 total allocation. £196,690 of this amount had actually been issued. By the end of March, 1954, total C.D.W. expenditure had amounted to about £250,000.

Title of Scheme	*Amount Chargeable to C.D. and W. Funds up to* 31/12/52
	£
*Fisheries Research	612
Fisheries Research Unit—Hong Kong University—	
Capital	2,148
Recurrent	168
Town Planning Expert	1,000
*Reclamation at Aberdeen	49,528
*Landing Facilities at Kennedy Town ..	6,849
Village Agricultural Depots—	
Capital	2,924
Recurrent	17,900
Upper Air Reporting Stations	11,615
Vegetable Marketing Homes	35,807
Irrigation in New Territories	2,992
*New Broadcasting Studios	15,625
Mechanisation of Fishing Fleet	—
Piers in New Territories	46,016
Hong Kong Housing Society Pilot Scheme	8,854
Maintenance of Survey Party	2,146
Aeronautical Radio and Weather Stations	6,603
Total	210,787

* Scheme completed.

The Development and Rehabilitation of the University of Hong Kong is being met partly from the Colony's Development funds and partly from Colonial and Middle Eastern Service funds.

Other projects include an interest-free Loan to fishermen from C.D. and W. funds, amounting to £50,000, and the Cadastral Survey of the New Territories (£116,250).

An early project to establish a Fisheries Research Station to operate over a large part of the China Sea was abandoned and replaced by a more modest one to be set up in the University under the direction of the Department of Zoology. A laboratory and research ships are being provided out of Colonial Development and Welfare funds and the Government will make a grant to meet operational costs.

The Village Agricultural Depots extend the facilities of the Vegetable Marketing Organisation by providing village units to which farmers can bring their produce for weighing and collection, and from which they can obtain supplies of baskets, fertilisers and so on. The depots have greatly assisted in the transportation of vegetables from the rural areas to the market of Kowloon and it is proposed (as another Colonial Development and Welfare scheme) to provide additional diesel engined lorries for the Marketing Organisations which already have a fleet of twenty-eight modern vehicles.

The irrigation scheme in part of the New Territories came about following advice given by an engineer who had been recommended by the United Nations Economic Commission for Asia and the Far East.

The attempt is continuing to produce a new type of fishing vessel based on Chinese methods of construction but suitable for mechanical propulsion. The more prosperous fishermen who own the larger boats have already undertaken a good deal of mechanisation on their own initiative, and because of this it was decided that special attention should be paid to the designing of a vessel of the smaller type. Most of the operators of this type of boat would find it financially difficult to mechanise their craft and will thus stand to benefit most by the Colonial Development and Welfare scheme which will make loans available for building boats of modern design and equipment.

In the New Territories, works are being carried out to improve pier facilities. This scheme is being financed partly by the Government and partly from Colonial Development and Welfare funds. On the large island of Lantao, for example, piers have been built which by improving landing and loading facilities will on the one hand make it easier for the islanders to travel or send their produce to Hong Kong, and on the other encourage Hong Kong residents to travel to the island which, though neglected in the past, has many natural amenities. Another pier has been completed on the island of Cheung Chau which has a population of about 22,000 and is one of the most important fishing centres in the New Territories.

Two subsidised housing schemes for the poorer sections of the population have been completed. A block of one hundred flats on land provided free by the Government was built by the Hong Kong Model Housing Society, financed by the Hong Kong and Shanghai Banking Corporation, and a further block of 270 flats at Sheung Li was built by the Hong Kong Housing Society, financed by the Colony's Development Fund, the cost of site formation being met by a grant from Colonial Development and Welfare funds. These are pilot schemes for more ambitious developments.

The Development Fund, which was established in 1951, stood at more than $90 millions at the end of March, 1954, and was made up of about $37 millions from a trading surplus of the Department of Commerce and Industry, and other amounts which have been transferred from Government trading surpluses or from General revenue from time to time.

The commitments which were to have been met out of the Development Fund are as follows:—

	$
Tai Lam Chung Water Supply Scheme	40,000,000
Housing (Slum Clearance) Loan	15,000,000
Sports Stadium (Loan) ..	2,330,000
Hong Kong Telephone Company (New share issue) ..	32,563
Housing Loans (non-expatriate Government Officers) ..	5,000,000
Total	$62,362,563

Up to the end of March, 1954, about $16,000,000 had been disbursed, of which some $12,000,000 represented preliminary expenditure on the Tai Lam Chung water supply. However, it was recognised that the cost of the water supply scheme would be too great to be borne by the Development Fund and it was decided to make it chargeable to the ordinary budget, at the same time reimbursing the Development Fund for the amount already spent.

In general it is proposed that the activities financed from the Development Fund should be self-supporting projects and the loans which are already committed will supply the fund with a flow of interest receipts and capital repayments over a number of years in addition to such monies as may be forthcoming from the general revenue or Government trading surpluses. The money originally allocated to the Tai Lam Chung scheme will be devoted to housing, thus making almost the entire Development Fund a housing fund. Other expenditure incurred up to March, 1954, has been on housing loans ($2,000,000) and a Sports Stadium ($800,000). Just over 1,000,000 dollars has been issued on loans for social and athletic clubs.

HONG KONG DEVELOPMENT FUND, MARCH, 1953

Liabilities		*Assets*	
	$ '000		$ '000
Fund Account ..	80,444	Cash	31,911
Deposit H.K. Govt..	417	Advances to H.K. Govt.	41
Expenditure on Local Investments ..	33	Sterling Investments	48,897
Expenditure on Loans	2,133	Local Investments ..	45
		Loans	2,133
Total	83,027		83,027

In the absence of a comprehensive programme of development the Colony has prepared an estimate of the major capital works which it is proposed to undertake over a five or six-year period ahead. It is estimated that these works will cost in all about $335 millions, and this sum includes some expenditure from the Development Fund and also from the Rehabilitation Loan to which reference has already been made.

The rate at which the money will be spent is planned to rise to a maximum of more than $74 millions in 1955–56 on these works, and thereafter to taper off after 1958. The big increase from 1954 to 1957 is due to the fact that the Tai Lam Chung water supply scheme will then be reaching an advanced stage of construction. As expenditure on these schemes slackens off after 1957 capacity will be released to undertake such new items of capital work as may be considered necessary at that time. The following table shows the estimated rate of expenditure.

ESTIMATED RATE OF EXPENDITURE ON MAJOR CAPITAL WORKS, 1953-1959

(H.K. $ Millions)

1953/54	1954/55	1955/56	1956/57	1957/58	1958/59
34·62	61·32	74·29	63·48	31·60	16·05

The table below shows the heads under which the capital expenditure will be carried out.

CLASSIFICATION OF MAJOR CAPITAL WORKS PROGRAMME

Item	*Estimated Expenditure (H.K. $ Millions)*
Education	9·51
Harbour	18·64
Medical and Health	82·09
Offices, etc.	34·70
Police	19·00
Public Buildings	16·50
Reclamation	19·99
Roads, Drains, Bridges ..	37·70
Social Welfare	·36
Water Supplies*	93·56
Other	2·72
Total	334·77

* Including the Tai Lam Chung reservoir scheme. (See above.)

The educational expenditure is earmarked for the building of new schools and extensions at all grades and in various parts of the Colony. $7·50 millions represents Government expenditure on its education programme and the remaining $2·01 millions is from private contributions. The largest single item in the proposed harbour works is the sum of $10 millions for vehicular ferry piers, on which work will begin in 1955. Medical and health expenditure includes $44 millions on the General Hospital at Kowloon, and the construction of an abattoir at Kennedy Town which will cost $15 millions. Among the office buildings which are planned are those for the Central Government at a cost of $15 millions and the Kowloon G.P.O. costing $5 millions while the Public Buildings section is made up of a new City Hall to cost $16 millions. The Causeway Bay reclamation scheme on which work has already begun will require an expenditure of more than $17 millions, and the reconstruction of motor roads will cost almost $20 millions. The Tai Lam Chung reservoir project in the New Territories accounts for $80 millions of the total to be spent on water supplies, and this scheme, on which work is already in hand, will take about seven years to complete. It will ultimately provide storage for an additional six thousand million gallons of water. The cost of this scheme is being met from ordinary revenue as are most of the others. The "Other" items of expenditure on major capital works are not included in the Colony's ordinary budget and consist of a Sports Stadium being paid for from the Development Fund.

Towards the end of 1947 an Ordinance was enacted to provide for the raising of loans up to a maximum of $150 millions for the purpose of financing expenditure on the rehabilitation of the public services. The first $50 millions of the authorised amount was raised in January,

EXPENDITURE UNDER THE REHABILITATION LOAN ORDINANCE

To 31st March, 1954

Item	*Allocation Available* and Expended*	*Charged to Loan*	*Charged to Expenditure*
	$ '000	$ '000	$ '000
Agriculture, Forestry	1,345	30	1,315
Air and Meteorological	260	119	141
Buildings	38,591	26,155	12,436
Claims and Compensation	30,415	19,339	11,076
Education	6,738	2,354	4,384
Harbour Facilities	4,711	1,349	3,362
Medical Services	1,699	45	1,654
Miscellaneous	8,036	581	7,455
Public Works	19,983	2	19,983
Railway	14,775	—	14,775
Waterworks	6,301	27	6,274
	132,854	50,000	82,854

* The allocation available consists of the total revised allocation of $150 millions *less* the lapsed allocations.

1948, and by the end of that same financial year had been fully spent. Additional expenditure was incurred, however, which amounted to over $80 millions by 1952, but some $76 millions were charged off to ordinary expenditure during 1951 and 1952, and the remainder is charged to an advance account pending either the raising of further funds under the terms of the Loan Ordinance, or its transfer to expenditure.

It will be seen that the originally planned expenditure has been carried out and that the remaining $100 millions of the authorised loan has not been called upon. The only large item which has not been dealt with so far is the provision of additional railway rolling stock, and here it has been the supply position which has held up the expenditure. The total expenditure has covered a wide range of both major and minor works and has included both new building and the repair and replacement of war damaged premises. The agricultural expenditure has included payments towards experimental stations, and among the air and meteorological services have been the provision of launches and scientific instruments. Educational expenditure has included a grant to the University as well as grants for buildings, furniture and equipment in both Government and non-Government schools. Among the Public Works have been the building and repair of piers and sea walls, the repair and maintenance of roads and bridges. In addition to the payment of certain preliminary expenses of the Tai Lam Chung scheme, the water works have included the provision of mains, pumping plant and filter and chlorination plant.

Development in Hong Kong is difficult to separate from the continuing flow of capital works ordinarily carried out, and there is no clear dividing line, even in the sources from which the money is derived. Less than half of the Colonial Development and Welfare funds have as yet been committed, the Development Fund has had no ceiling placed upon it, and there remains, if required, $100 million of the authorised Rehabilitation Loan which has not been raised (but which will very likely not be called upon).

Other Development

In the private sector of the economy most of the development in recent years has been in the expansion and diversification of industrial activity which is dealt with in the appropriate sections above. In addition there has also been a very large amount of private and commercial building of housing, shops, hotels, offices and other business premises, which between 1950 and 1953 cost an average of about $111 millions annually.

V. MISCELLANEOUS

Weights and Measures

Weights and measures in use in the Colony consist of the standards used in the United Kingdom together with a number of Chinese units. (See Appendix 3 on page 159.)

The Hong Kong Government maintains an office at Grand Buildings, Trafalgar Square, London, W.1.

BRUNEI

I. GENERAL BACKGROUND

Geographical Features

Brunei is a State on the north-west coast of Borneo, lying between latitude 4° 2′ and 5° 3′ north and longitude 114° 4′ and 115° 22′ east. It forms two enclaves into the territory of Sarawak, by which it is bounded on all sides, or perhaps, historically speaking, it would be more correct to say that an intrusion of Sarawak formed by the basin of the Limbang River splits the State into two separate parts. It comprises an area of some 2,226 square miles, and has a coast line of about one hundred miles extending from Brunei Bay in the east to the boundary with Sarawak in the west.

The country is generally flat or gently undulating. The Labi Hills and Ladan Hills are of sandstone not exceeding 2,000 feet in altitude. Only in the southernmost region of the Temburong District is mountainous country found and there the hills attain 6,000 feet. The hill ridges are often sharply defined " knife edges " with precipitous slopes strewn with boulders, intersected with ravines and rocky gullies with frequent small waterfalls. The coastline is straight with flat sandy beaches or low clay cliffs, but in Brunei Bay, mangrove and swamp forests form the coastline.

The river system drains northwards into the South China sea and the rivers are slow running and tortuous, being tidal as far as 15 or 20 miles from the sea. They are liable to flooding during the N.E. monsoon, between November and February, and a lesser spate frequently occurs in the middle of the year. The Belait and Tutong Rivers, when in spate, cover all rapids and shallows and exceed the limits of the river banks, and there are shallow sandy bars at the mouths of these rivers. During the floods it is possible to raft timber from the headwaters. The Brunei and Temburong Rivers, however, follow deep channels and there are no bars in Brunei Bay. The rivers in the interior are full of obstructions in the form of fallen trees and semi-submerged logs, which makes travelling difficult, even by craft equipped with outboard motors. There is one lake, covering an area of about one square mile.

The hills are of sandstone and the flat land in interior regions consists of clay and loam. Near the coast the swampy areas are peaty and the hills sandy or pure sand. Most of the State is densely covered with forest vegetation, varying from primary tropical evergeen forest to open scrub and grassland. The main vegetation types are as follows :—

(*a*) Tropical evergreen hill forest
(*b*) Tropical evergreen freshwater swamp forest
(*c*) Secondary forest (result of shifting cultivation)
(*d*) Grassland and scrub forest
(*e*) Mangrove forest.

The grassland and scrub are confined to the coastal region between Tutong and Muara, and the mangrove forests to Brunei Bay and the estuary of the Tutong River.

The rainfall is heaviest from October to the middle of January. The N.E. monsoon is November–April, and the S.W. monsoon May–October. The average annual rainfall on the coast is about 100 inches and rises to over 200 inches in certain parts of the interior. The average mean maximum temperature taken over one year was 85·8° and the mean minimum 76·7°. There is no fog, but occasional mist at daybreak.

Population and Occupation

The total population as returned in the census of 1947 was 40,657, as compared with 30,135 at the time of the 1931 census. Owing to the lack of immigration statistics over the period, it is not possible to say how much of this rise was due to natural increase. There has, however, been a considerable influx of labour since 1947 and the total estimated population in 1952, allowing for natural increase and fresh immigrants, was about 49,600. Vital statistics for 1938 and 1947–53 were as follows :—

Year	*Birth Rate (per 1,000)*	*Death Rate (per 1,000)*	*Infant Mortality Rate (per 1,000 Live Births)*
1938	37·8	22·0	210
1947	45·6	20·0	133
1948	40·5	21·6	139
1949	50·5	18·6	128
1950	56·9	20·3	137
1951	58·7	14·8	81
1952	56·6	17·4	104
1953	55·2	15·4	113

These figures suggest a rate of increase of more than 4 per cent per annum.

Of the total population in 1947, 21,508, or 53 per cent, were males, and 19,149, or 47 per cent, females. There were thus 1,122 males for every 1,000 females. The greatest excess of males was among the Europeans, the Sea Dayaks and the Chinese.

The population, analysed by races and districts at the time of the 1947 census, was as follows :—

Races	*Districts*					
	Belait	*Tutong*	*Brunei Rural*	*Brunei Municipal*	*Temburang*	*Total*
European	335	11	9	37	2	394
Malay	3,770	773	2,504	8 780	915	16,742
Melanau	216	2,282	3	8	8	2,517
Sea Dayak	655	213	24	5	433	1,330
Other Indigenous ..	1,548	3,029	4,864	29	1,102	10,572
Chinese	5,491	482	466	1,667	194	8,300
Other Asiatic ..	552	57	42	93	58	802
Total ..	12,567	6,847	7,912	10,619	2,712	40,657

The main occupations followed, according to the census, were as follows:—

Industry	*Nos. Engaged*
Fishing	999
Agriculture:	
Padi and jungle produce	7,849
Market gardeners	554
Rubber smallholders	242
Rubber tappers	546
Others in rubber industry	195
Sago	121
Total Agriculture	9,507
Forestry and Forest Products:	
Timber production	397
Jelutong	143
Cutch	12
Total Forestry	552
Industry:	
Petroleum	2,285
Independent craftsmen	449
Other industry	222
Total Industry	2,956
Building and construction	899
Electricity supply	30
Transport	290
Distribution (including hawkers)	1,078
Government service	1,125
Professions	86
Personal and domestic services*	775
Unpaid housework	7,469
Students and school-children	3,520
Other occupations	74
Retired and without occupation	655
Not stated	25
Total	30,040†

* Including caterers.

† Excluding children not at school, and Nomadic Punans.

The two main occupations are rice-cultivation and in the petroleum industry. Of the different racial groups, the Europeans are mainly engaged in the oil industry and Government service, the Malays in padi and rubber planting, fishing, the oil industry and Government service, the Sea Dayaks in long-house agriculture (i.e., padi planting combined with the collecting of jungle produce) and the oil industry, the other indigenous groups mainly in padi cultivation, and the Chinese mainly in market gardening, distribution, and the oil industry.

The growth of the petroleum industry in recent years is responsible for a considerable change in the regional distribution of the population. The Belait district, which in 1931 had a population of only 1,193, had 12,567 persons in 1947. But in spite of this industrial progress, the territory as a whole is still very thinly populated apart from the coastal areas and the oil fields, the average density of population over the whole State being 18·2 persons per square mile.

Social Amenities

Education—Until recently all schools in the State were primary schools, but a beginning with secondary education has been made in the higher forms of a few schools. In the Malay schools all education is in the vernacular. In some of the Chinese schools and in the Roman Catholic Mission schools and the Kuala Belait English school, English is taught, but, largely on account of the shortage of qualified teachers, the standard is not high. At present no facilities exist in the State for higher education. Annually the Government sends a small number of students, selected from the Malay schools, to the Sultan Idris Training College at Tanjong Malim in the Federation of Malaya, to the Malay Women's Training College at Malacca and to the Batu Lintang School in Sarawak. In the future it is hoped to send qualified students to the University of Malaya, to which the Brunei State Council voted a contribution of $100,000 in August, 1949.

The 33 Malay vernacular schools are all Government schools directly controlled by the State Education Department. The seven Chinese schools, three Mission schools and the Kuala Belait English school are private schools, directed, in the case of the Chinese schools, by local committees, and, in the case of the Mission schools and the Kuala Belait English school, by the Roman Catholic Mission. A degree of Government control of the private schools is provided by the Registration of Schools Enactment, 1939, which requires all non-Government schools and all teachers employed in such schools to be registered and provides for inspection by the Government. This legislation has been strengthened and augmented by the Education Enactment (No. 2 of 1952).

In October, 1951, the Government opened its first English school in Brunei Town, a venture which was made possible by the arrival of two qualified English teachers. A second Government English school was opened in 1952. There is also an English school at Seria which is run wholly by the British Malayan Petroleum Co. for the children of their senior staff. For the purposes of administration, the Government schools are divided into three groups, each group comprising the schools in one or more administrative district (Brunei including Temburong, Belait and Tutong) and being under the control of a group teacher. These group teachers are responsible to the European State Education Officer who is assisted by a Malay Superintendent of Education and a Malay Inspector of schools.

It is hoped to set up a fully equipped Trade School, when circumstances permit, for the training of local persons in various trades. In the meantime, however, the British Malayan Petroleum Co. have begun training apprentices, and now have 175 undergoing instruction; they plan an establishment of 450. The apprentices are taken on between the ages of 16 and 19. Owing to the scarcity of suitable students, the Company has started, as an interim measure, a Preparatory Trade School which gives academic instruction to boys who will later be able to enter the Trade School.

In 1906, when the first British resident assumed duty in Brunei, the only education in the State was instruction in reading and writing given in the mosques. This state of affairs continued until 1912 when the first Government Malay vernacular school was opened in Brunei Town. By 1929 the number of pupils on the registers of the Malay vernacular schools had increased to 672 and arrangements were made for the annual admission of two Brunei students to the Sultan Idris Training College for vernacular teachers at Tanjong Malim and also for the education, at Government expense, of two pupils per year at the English school at Labuan. In 1930 the Government opened the first girls' school in the state which, due to various circumstances, was not a success; but in 1934 a few Malay girls commenced to attend the ordinary Malay vernacular schools. By 1938 the number of girl pupils on the registers of these schools had increased to 189, and the present number is more than 500.

In 1939 an enactment was passed whereby any male Malaysian child between the age of seven and fourteen years might be required to attend a Government school if he lived within two miles of one. By 1941 the number of schools in the State had risen to 33, consisting of 25 Malay vernacular schools, the Kuala Belait English school, two Roman Catholic Mission schools and five Chinese schools. The period of enemy occupation from December, 1941 to June, 1945, resulted not only in the virtual cessation of education, but also in the destruction or partial destruction of six schools and the loss of practically all school equipment. After the liberation, the British Military Administration re-opened as many schools as possible and commenced the work of re-habilitation and re-equipment. This work has been continued by the Government and at the end of 1952, 33 Malay schools with a roll of 2,268 pupils were again functioning as well as seven Chinese schools, and six English schools. The percentage of children of school age actually attending school is estimated at about 50 per cent. In 1947 the illiteracy vote was estimated to be about 25 per cent of the indigenous population and about 50 per cent of the Chinese population aged 10 years or over. Excluding capital expenditure on new school buildings recurrent expenditure on education more than doubled between 1949 and 1952, in the latter year the amount being over $300,000. Expenditure on education has not kept pace with other categories of government expenditure however, and it accounted for only 2·3 per cent of the total budget in 1952, compared with 3·4 per cent in 1949.

NUMBER OF SCHOOLS AND ENROLMENTS: 1938, 1948–52

Type of School		1938	1948	1949	1950	1951	1952	1953
Malay	Number ..	21	25	27	28	29	33	33
	Boys ..	1,621	1,653	1,842	1,828	1,852	1,848	2,143
	Girls ..	189	376	425	427	404	420	536
	Total ..	1,810	2,029	2,267	2,255	2,256	2,268	2,679
English	Number ..	3	4	4	4	5	6	6
	Boys ..	142	306	426	504	641	781	967
	Girls ..	34	165	227	290	326	456	544
	Total ..	176	471	653	794	967	1,237	1,511
Chinese	Number ..	4	5	5	6	6	7	7
	Boys ..	201	604	780	885	899	932	1,058
	Girls ..	144	380	492	565	584	598	669
	Total ..	345	984	1,272	1,450	1,483	1,530	1,727
Total	Number ..	28	34	36	38	40	46	46
	Boys ..	1,964	2,563	3,048	3,217	3,392	3,561	4,168
	Girls ..	267	921	1,144	1,282	1,314	1,474	1,749
	Total ..	2,231	3,484	4,192	4,499	4,706	5,035	5,917

Health

In the main towns of Brunei, Kuala Belait and Tutong, Sanitary Boards control all matters concerning housing, sanitation, etc. In these areas, although some housing is satisfactory, native houses have few or no amenities for sanitation or disposal of rubbish. In the Sanitary Board Areas, the night-soil is collected in buckets and dumped into a convenient tidal river. In the Kuala Belait/Seria area, a number of houses have water-borne sanitation. In the river town of Brunei, built on a broad sweep of the Brunei River, night-soil is disposed of straight into the river. In the three main centres, street and domestic rubbish is collected and disposed of by coolies; in Brunei and Kuala Belait it is incinerated, while in Tutong it is disposed of into the river.

Brunei State is relatively healthy, the main diseases experienced being tropical anaemias, malaria, helminthic diseases, various deficiency conditions and tuberculosis. Of these, tuberculosis is regarded as the greatest problem (there were nearly 900 cases in 1952) because of the difficult sorio-economic conditions which hamper treatment. A T.B. clinic began work in 1953 and proper buildings were planned for 1954.

A new State hospital, fully equipped with provision for maternity wards, leper and mental patients, etc., was completed in 1951.

There is also a well equipped hospital in Kuala Belait, having 150 beds and a small X-ray plant.

There are dispensaries at Tutong, Temburong, Kuala Belait and Muara, the first two having a small number of rest beds.

There is a Maternity and Child Welfare Clinic at Brunei Town based on the hospital and one at Kuala Belait based on the dispensary. Each is in the charge of a trained health nurse. The infant mortality rate for 1952 was 104 which is still distressingly high, but represents a fall of 60 per cent on the pre-war figures. For this, much of the credit lies with the Infant Welfare and Maternity Clinics.

Medical transport facilities consist of one ambulance at Kuala Belait owned by the Oil Company, one Government ambulance in Brunei Town and four Travelling River Dispensaries equipped with outboard motors. All medical supplies are imported. A new dispensary with rest beds and an Ante-natal and Child Welfare Centre are operated in Kuala Belait.

The organisation and administration of the Public Health Services is in the hands of the Medical Officer, Brunei. He is the Medical Officer of Health and also the Veterinary Officer. He is assisted by one of the Medical Officers of the Oil Company at Kuala Belait (who receives a Government retaining fee) and by two sanitary inspectors, one at Brunei and one at Kuala Belait. There is also a Market Inspector at these two places and a Mosquito Collector at Brunei. (The Oil Company is responsible for public health facilities within the area of their lease.)

The medical budget accounts for over 5 per cent of the total state expenditure, and in 1952 amounted to about $727,000.

Housing

In the three townships of Brunei, Kuala Belait and Tutong, which were virtually destroyed by bombing during the war, strict control over matters relating to housing is exercised by the local Sanitary Boards. Plans of buildings and of structural alterations must be submitted to the Boards for prior approval and all houses are subject to inspection by their officers.

Houses of the " bazaar " areas are mostly of the shop-house type; the new temporary buildings recently constructed in Brunei Town are two-storied buildings made of wood with attap (palm thatch) roofs. These buildings have a frontage of 20 feet with a depth of 70 feet. The top story of the building is used as a habitation by the shop-keeper, usually Chinese, and his family, whilst the ground floor serves as business premises.

Outside the shop-house area, there still remain a number of houses which escaped the bombing. These are mostly of the plank and attap variety on a small plot of land.

In rural districts outside the Sanitary Board areas housing is not generally subject to Government control, but some by-laws relating to housing and sanitation have been applied in certain areas.

The usual native house is raised on piles about five feet from the ground. The better ones may have walls and floor of plank and be roofed with billian (ironwood) shingles. More commonly, however, the walls are of water-proof matting made from leaves of the nipah palm, the floors of separated slats, split bamboo or nibong, and the roofs of attap. They usually consist of an open front veranda with two or more rooms and a separate kitchen joined to the main building by a raised platform. This type of building is cool, dry, healthy, and effectively ventilated, and, apart from some overcrowding, the conditions under which this class of the population live are reasonably satisfactory. Sanitation, however, where it exists at all, is generally of the most primitive type.

In Brunei Town, but outside the Sanitary Board area, lies the famous River Kampong where for generations the bulk of the Malay population has lived. The houses are of similar construction to native houses on land but are built on hardwood piles on shallows in the river. Overcrowding is more marked than in the land kampongs, but sanitation is better, since refuse is discharged into the river and effectively carried away by the tides. The kampong is generally free from epidemics which may be associated with this mode of habitation, as the river is tidal and is of very high salt content, which makes the water undrinkable. There is now an observable tendency among the young and better-educated generation to build their houses on the land.

Dayaks, Dusuns and Muruts generally live in communal long-houses. These are long buildings on high piles between 6 to 10 feet from the ground with numerous doors to which the inhabitants gain access by ascending a ladder made of a tree trunk with steps cut into it to form the rungs. The buildings vary in length according to the number of occupants which may be as many as two hundred, and consist of a long covered verandah where the bachelors live and a line of rooms occupied by the married members of the community and their families. The sanitation of these houses is even more primitive than of those mentioned above, as pigs, goats and chickens frequently live on the ground in the floor space under the house.

In Brunei Town most Government servants who are natives of the State own their own houses. In the out-districts, and in the case of non-domiciled individuals, quarters are graded in classes and conform to approved standard plans. They are well-built, each with a minimum accommodation of two rooms and a kitchen and adequate sanitary appointments. Police and certain other employees are housed in barracks. A large number of the Government quarters still remain and during 1947 underwent the repairs which they failed to receive during the Japanese occupation.

Statutory requirements are prescribed by the Labour Code for the housing of labourers on estates and mines. The type of married accommodation favoured on estates is the semi-detached house with a small garden. Where barrack-type family accommodation is provided, the unit consists of two rooms and a kitchen. Estate workers are largely indigenous and on certain estates most are non-resident and live in their own houses, often situated a considerable distance from their employment.

In the oilfields at Seria and Belait, the Oil Company accommodates its labour force in temporary attap and kajang houses built in the form of lines and fitted with water supply, which is pumped down from the Belait River at Badas. The company has planned a very large housing scheme (of more than 700 houses) under which all its employees will be accommodated in quarters of a permanent type, and considerable progress is now being made towards its completion.

The township will provide as many of the facilities of a modern town as can be provided in the midst of a virgin jungle territory. Already a cinema, hospital, school, clubs and shops have been erected.

Social Security

There is no unemployment in the State and no provision for unemployment benefits or insurance exists. Provision is made in the 5-year Development Plan for the payment of pensions and disability allowances to the aged and infirm, and to widows and orphans. The services of an officer from the Ministry of Pensions and National Insurance have been obtained to draw up the necessary legislation and to advise on the implementation of a comprehensive scheme of social insurance. There are no Friendly Societies.

Post Office Savings Banks are established in the two main centres of population, Brunei Town and Kuala Belait.

Political Structure

Brunei is a Sultanate under British protection. The present Ruler, the twenty-eighth of his line, is His Highness Omar Ali Saifuddin, who was born on the 23rd September, 1916, and succeeded to the throne, on the death of his elder brother, on the 6th June, 1950.

The supreme authority in the State is vested in the Sultan in Council. The Council at the present consists of twelve members, including the British Resident, with the Sultan as President. The assent of the Council is required for the enactment of legislation and all important questions of policy are referred to it.

The general functions of administration are carried out by a British Resident. By the Treaty of 1906 his advice must be asked and acted upon in all questions other than those affecting the Mohammedan religion. The seat of Government is in Brunei Town. The Governor of Sarawak holds the office of High Commissioner for Brunei and the Resident is directly responsible to him. Similarly, the Chief Secretary, Sarawak, holds the additional office of Secretary to the High Commissioner and is the normal channel of communication between the Resident and the High Commissioner. The European heads of most Sarawak departments have become technical advisers on their respective subjects to His Highness the Sultan. There is an Assistant Resident at Kuala Belait, the second principal town, and also in Brunei Town. Both these officers are members of the Sarawak Service.

The State is divided into four administrative districts, namely Brunei and Muara, Temburong, Tutong and Belait, in each of which there are Malay District Officers who are responsible to the Resident.

The Government is centralised in Brunei Town, but the headquarters of the Forest Department is in Kuala Belait. There are Sanitary Boards at Brunei, Tutong and Kuala Belait appointed by the Government, which are responsible for the sanitation, conservancy, street lighting, rating and municipal matters within the area appointed for the Board. There is no local autonomy and no franchise or electoral system, but consideration is being given to the possibility of broadening the basis of the constitution.

The principal Government Departments are:—

Agriculture
Audit
Education
Customs and Marine
Fisheries
Medical and Health
Forests
Police and Prisons
Treasury
Public Works
Religious Affairs
Municipal
Land and Surveys
Posts and Telegraphs
Courts
Electrical.

Certain of these departments maintain close co-operation with their opposite numbers in neighbouring territories, and some consideration has been given to the close association of the three states on a functional basis.

The Courts constituted in the State for the administration of civil and criminal law are as follows:—

The Supreme Court
Courts of Magistrates of the First Class
Courts of Magistrates of the Second Class
Courts of Magistrates of the Third Class
Courts of Kathis.

The Supreme Court, which has jurisdiction over the three British territories in Borneo, was established under the Sarawak, North Borneo and Brunei (Courts) Order in Council, 1951, and replaced the existing territorial Court of Appeal and Court of the Resident. The

Supreme Court is made up of the High Court and the Court of Appeal which are served by a single establishment of a Chief Justice and such Puisne Judges as may be appointed. The Order in Council came into operation on 1st December, 1951. Provision is also made in the legislation for appeal from the Supreme Court to the Privy Council.

The Court of a Magistrate of the First Class has original civil jurisdiction in suits involving not more than $1,000 and original criminal jurisdiction in the case of offences for which the maximum term of imprisonment provided by law does not exceed seven years or which are punishable by fine only. The Courts of Magistrates of the Second and Third Classes have civil jurisdiction in suits involving lesser sums and in cases of offences for which the terms of imprisonment are shorter. The Court of the Kathi deals solely with questions concerning Mohammedan religion, marriage and divorce, and may impose a fine not exceeding $50.

Procedure in the Courts is regulated by the provisions of the Federated Malay States Criminal Procedure and Civil Procedure Code, these Enactments having been applied to the State, *mutatis mutandis*, by the Federated Malay States Laws Adoption Enactment, 1939. The former includes provision for the granting of time for the payment of fines, the release on probation of first offenders and the special treatment of youthful offenders.

There are now two State prisons and a third is being erected in Brunei. The present one at Brunei has accommodation for 20 prisoners, the other at Kuala Belait for 30. The prisons are governed by the Police who also act as gaolers, and are responsible for the carrying out of punishments as directed by the Courts. The Brunei Police have an establishment of about 200 men of all ranks under the command of a European Chief Police Officer.

Principal Economic Legislation

General

All companies are subject to tax and double taxation relief under Enactment No. 13 of 1949. Income Tax was levied at the rate of 20 per cent on the chargeable income from the time of its introduction in 1950 up to 1953 when it was raised to 30 per cent.

Enactment No. 5 of 1951 provides for relating the application in the State of the Common Law of England, the doctrines of equity and statutes of general application.

Registration of Societies is governed by Enactment No. 7 of 1949.

Trade Tariffs

Control of Customs is exercised under the North Borneo Military Proclamation No. 18 of 1945.

Duties are levied in accordance with Notification No. 71 of 1947 issued under the Customs Duties Enactment of 1906, and principal items subject to import and export duties are shown below:—

IMPORT DUTIES

Articles		*General Tariff*
Intoxicating liquors:		
Rectified spirit	per proof gallon	$30·00
Brandy and any other intoxicating liquor not hereinafter provided for	„ „	$30·00
Brandy in bottle not exceeding 81 per cent of proof spirit	per gallon	$21·00
Whisky, rum and gin	per proof gallon	$30·00
Whisky, rum and gin in bottle not exceeding 81 per cent of proof spirit	per gallon	$21·00
Toddy, arrack, saki, pineapple spirit and samsu (including medicated samsu)	per proof gallon	$12·50
Bitters and liqueurs not exceeding 100 per cent proof spirit	per gallon	$30·00
Sparkling wines not exceeding 42 per cent proof spirit	„	$18·00
Still wines exceeding 26 per cent but not exceeding 42 per cent of proof spirit	„	$8·00
Still wines not exceeding 26 per cent of proof spirit	„	$4·00
Ale, beer, stout, porter, cider and perry	„	$1·20
Tobacco:		
(*a*) Cigars	per lb.	$8·00
(*b*) Cigarettes 2½—3 lb. per 1,000	per 1,000	$12·00—14·40
(i) Cigarettes exceeding 3 lb. weight the thousand	per lb.	$4·80
(*c*) Unmanufactured tobacco	„	$2·50
(*d*) Manufactured tobacco (excluding cigars and cigarettes)—		
(i) imported in containers of any kind for retail sale to the public	„	$5·00
(ii) not otherwise provided for	„	$3·00
Petroleum and petroleum products:		
Kerosene oil	per gallon	10 c.
Petrol	„	20 c.
Lubricating oil	„	20 c.
Fuel oil	„	5 c.
Diesel oil	„	10 c.
Grease—lubricating	per lb.	5 c.
Sugar	per kati	3 c.
Matches	per 100 boxes	$2·00 plus for every 50 matches or portion thereof in excess of 100 in each box—per 100 boxes $1
Cosmetics and perfumery	*ad valorem*	30%
Textiles and wearing apparel:		
(*a*) Cotton manufactures of every description	„	10%
(*b*) All other textiles and wearing apparel, including footwear, of every description	„	10%

IMPORT DUTIES—*continued*

Articles		*General Tariff*
Vehicles:		
Cycles, motor-cycles, motor-cars, motor lorries, tractors, trailers, parts and accessories thereof, including tyres and inner tubes	*ad valorem*	20%
Musical instruments of every description, and all parts and accessories thereof, including records and needles	„	10%
Coffee:		
(*a*) raw	per lb.	5 c.
(*b*) roasted or ground	„	10 c.
Milk, including cream, condensed, desiccated or preserved	„	5 c.
Tea	„	10 c.
Fireworks and crackers	*ad valorem*	30%
Electrical equipment and wireless apparatus and component parts thereof but exclusive of all dynamos and industrial motors	„	20%
Cameras and photographic materials	„	20%
Timber	„	20%
Furniture	„	20%
Soap	„	10%
Salt—		
(*a*) coarse	per lb.	1 c.
(*b*) fine	„	1½ c.
Refrigerators	*ad valorem*	20%

EXPORT DUTIES

Articles	*General Tariff*
Copra, coconuts, coconut oil, palm oil	10% *ad valorem*
Fish, dried, salted or otherwise preserved, and other fish and sea produce	10% „
Sago, raw and partly manufactured, manufactured flour and pearl	10% „
Livestock:	
Pigs	$3 per head
Cattle, including buffaloes	$9 „ „
Sheep and goats	$1·50 „
Plantation rubber “ The value shall be determined for the ensuing week by taking the price of No. 1, ribbed smoked sheet. Spot loose, buyers quoted each week on the Singapore market, but six cents per lb. will be deducted from such price as being costs incurred outside this State ”	5% *ad valorem* plus ½ cent per lb.

A British Preferential Tariff is applicable to certain categories of imports, viz.: Vehicles, 5 per cent *ad valorem;* Electrical equipment, 5 per cent *ad valorem ;* milk and milk products, 1 c. per lb: and timber, furniture and refrigerators, 5 per cent *ad valorem.*

Labour

The Labour Code of 1932 has been revised and a Workmen's Compensation Enactment (No. 3 of 1950) has been introduced.

Land Tenure

All land not already held under title or under a recognised concession is designated State land and may be disposed of by the Government in accordance with the provisions of the Land Code. Such land, which may be held in perpetuity or for a term of years, is held by a title which covers surface rights only and subject to reservations regarding minerals and the power to recover the land for public use on the payment of compensation. Enactment No. 1 of 1949 provides for the acquisition of land for public purposes.

Under the Oil Mining Enactment of 1948, any person may apply to the Resident for an oil exploration licence, an oil prospecting licence or an oil mining lease, in respect of State lands or alienated lands or both.

Immigration

Immigration is controlled by Enactment No. 5 of 1947 and subsequent amendments.

Communications and Transport

Telecommunications.—Government maintains a small public telephone service with a 50-line switchboard in Brunei Town. There are extensions to neighbouring estates and to Tutong, Kuala Belait and Muara. During 1951 new equipment was installed.

A direct radio telegraph service is maintained between Brunei and Singapore.

Transport.—Rivers are an integral part of the communications of Brunei, due first to the comparatively small mileage of good roads and second to the topography of the country. The rivers drain from the hills and mountainous hinterland and have many tributaries. The main rivers are broad and flat; the territory's ports are all up-river and there is a constant flow of small native craft up and down the rivers carrying produce and passengers to and from the kampongs. Vessels of 12 feet draught can proceed on the tide as far as Brunei Town, where there is a concrete wharf 200 feet in length which is being extended and provided with adequate landing and handling facilities. Larger vessels call at Labuan in North Borneo with passengers, produce and mail. Launches from Brunei Town cross over to Labuan to meet the mail, and to convey any passengers destined for Brunei. The State runs a fleet of five launches for this purpose which range in size from 85 to 45 feet in length. There is also a fleet of six smaller outboard motor launches for daily use up and down the shallow rivers. Other harbours are all small and used principally by native craft and coasting vessels. There is an important airfield at this port carrying a twice-weekly air service. On rare occasions, sea-planes have made a landing in Brunei River.

The British Malayan Petroleum Company has completed the construction of an airfield for the Company's private use at Anduki near Serja, and a second airfield was finished during 1954.

Motor transport consists mainly of jeeps, private cars and a few antiquated native buses, which use the 140 miles of earth and metalled roads and the sandy beaches at low tide. The main road runs from Brunei Town to Tutong, a distance of some 30 miles. The Oil Company has a road system totalling 43 miles and connecting Seria with Kuala Belait. Much travelling is done between Brunei Town and the Oilfields at Seria ; one method is by launch from Seria to Tutong then by road to Brunei Town, and the other is along the beach (possible only at low tide) then across to the Tutong Road by ferry. Under the new development plan improved roads have a high priority and in particular it is proposed to build a metalled road from Brunei Town to Kuala Belait.

There are no railways, except a light railway about eight miles long on the Oilfields.

II. PRODUCTIVE ACTIVITIES

Agricultural Conditions and Methods

Agriculture is both primitive and undeveloped in Brunei. Of a total area of 2,226 square miles only about 65 square miles, or some 3 per cent, is under crops. About 1,500 square miles are forested, 556 square miles are unfit for padi or other cultivation, and some 60 square miles are under temporary fallow. Other land is marginal, meadow, or market gardens. The small acreage under permanent crops is due to the small population, the lack of mechanisation, the heavy soil is not conducive to mechanical methods of cultivation, and the rival demands for labour from the oilfields. There is very little large-scale agriculture except in a few of the rubber estates where plantation methods are practised.

The indigenous inhabitants cultivate about 18,500 acres of which 8,800 acres are under rice, 1,500 acres are under coconuts, 8,000 acres under rubber and about 500 acres under vegetables. Europeans hold about 7,500 acres of rubber plantations and the Chinese some 4,800 acres, while the latter also cultivate about 500 acres of vegetables.

The main crops are rice, rubber, sago, and a variety of vegetables. There are two methods of growing rice in Brunei, namely dry and wet padi. The cultivation of dry padi is not encouraged because its shifting method is apt to produce erosion on the hill slopes. Because of the shortage of rice, however, the crop it produces from the acreage under dry padi is still an important part of the total output. The cultivation of wet padi is carried out in the old established way of allowing buffaloes to trample the ground prior to planting, and although it is slow the results are generally satisfactory. As a part of the recently introduced development plan attention is to be paid to the introduction of a controlled water system by the use of dams and sluice gates.

There are two agricultural research stations, at Kilanas and Birau, and two padi test stations. At Kilanas there is an area of about 50 acres of which about 30 acres are flat and swampy and are used as a padi test plot and buffalo farm, and some 20 acres of comparatively dry land which is used for the cultivation of fruit trees, a nursery for rubber and other plants, and a poultry farm. The station at Birau has about 30 acres under cultivation and deals principally with the establishment of local and imported fruits and the maintenance of food crops and vegetable areas. A wide variety of food crops and vegetables are established including bananas, pineapples, coffee, oranges, breadfruit, pepper, cocoa, sago, beans, cucumber, sweet potatoes, and ground nuts. The two padi test stations are at Melaut and Lumapas. The former is considerably the larger and the area farmed by the agricultural department is about 48 acres, while at Lumapas, which has an area of 5 acres, imported strains of padi are tested. There is also a Government owned rice mill at Kilanas, and an animal breeding farm at Jerudong.

A resettlement scheme was begun in 1952 for Brunei Malays from the river kampong. It is located at Brunot and aims at encouraging members of this non-agricultural community to acquire land for cultivation and animal husbandry. Land was provided free of charge and house grants and family subsidies were paid by the Government.

Acreages planted under the main crops have, in general, tended to rise in recent years, and in particular the area under rice and rubber has shown a considerable increase as compared with 1938.

AREA UNDER MAIN CROPS : 1938, 1949–53

Crop	1938	1949	1950	1951	1952	1953
Padi :	acres	acres	acres	acres	acres	acres
Wet ..	2,186	4,849	5,064	5,471	4,982	6,099
Dry ..	2,837	3,766	2,888	3,104	3,814	3,035
Rubber ..	14,747	20,671	20,671	28,718	30,194	30,575
Sago ..	—	2,111	2,165	2,189	2,256	2,472
Coconuts	—	1,115	1,141	1,223	1,526	1,648

In addition to the above there are about 600 acres planted with pineapples, an increase of about 100 acres since 1947, and some 800 acres under bananas, compared with about 500 acres in 1947. There are some 625 acres of market gardens.

There is no land under fodder crops, and buffaloes and goats are allowed to roam freely in search of food. Apart from their use in the rice planting season to trample the ground, the buffaloes are used for timber hauling. Cattle, pigs and poultry are raised and their products are consumed within the State. The importation of selected pure bred animals is encouraged in order to improve local stock.

LIVESTOCK : 1938, 1949–53

	1938	1949	1950	1951	1952	1953
Buffaloes	5,139	7,701	9,286	9,479	10,987	11,079
Cattle ..	1,300	924	930	998	1,284	1,350
Goats ..	..	478	580	..	563	812
Pigs ..	..	3,904	4,326	4,353	6,328	6,985
Poultry ..	..	38,204	41,258	49,000	54,900	59,200

Local Food Products

The principal foodstuff grown in Brunei is rice and the annual crop provides about two-thirds of the total rice requirements of the people, the remainder being imported. Nearly all the rice growing areas are situated in the districts to the east of the Tutong river.

The sharp drop in yields in the 1951–52 season was due to exceptionally heavy rains during the harvesting period and to extensive damage by birds. A further reason for the decline in production, however, was that expanded

CULTIVATION OF RICE : 1938, 1946–53

	Acreage		*Yield per Acre*		*Production (Gantangs*)*	
	Wet	*Dry*	*Wet*	*Dry*	*Wet*	*Dry*
1937–38 ..	2,186	2,837	179	123	390,603	350,278
1946–47 ..	4,723	3,752	102	116	480,179	437,139
1947–48 ..	4.655	4,437	314	174	1,461,643	770,190
1948–49 ..	4,849	3,766	370	240	1,795,709	903,948
1949–50 ..	5,061	2,888	374	240	1,892,789	694,740
1950–51 ..	5,471	3,104	327	240	1,789,017	744,960
1951–52 ..	4,982	3,814	243	120	1,101,760	457,365
1952–53 ..	4,447	3,323	294	248	1,305,165	825,794

* 8 Gantangs = 1 bushel.

rehabilitation programmes by the Government and the Oil Company provided many people with employment and food production was neglected. It will be seen from the trade tables on page 109 that food imports were substantially higher than in earlier years.

Much of the rice is consumed by the growers themselves, but that amount of it which is marketed is subsidised by the Government—the subsidy in recent years having totalled about $600,000 annually.

Sago ranks second to rice as a food crop and in fact is a substitute for rice, being almost a staple food of the people of the interior. In addition to refuse from the manufacture of sago, flour is frequently sold as a pig food while the leaves provide a good quality roofing material. The area under cultivation has been rising slowly since the end of the war, and small amounts of the flour have been exported: in 1951, 216·6 piculs of wet flour were exported at prices varying between $12 and $15 per picul, while 15·5 piculs of dry flour were exported at prices of from $34 to $50. In 1953 290 piculs of wet flour were exported, but at substantially lower prices than those prevailing in 1951.

Coconuts, grown on about 1,600 acres, are largely a smallholders' crop and domestic requirements exceed local production, with the result that additional supplies have to be imported from North Borneo.

The total area under various fruits has increased considerably and about 1,400 acres are so planted. A further 4,000 acres are planted with other food crops such as tapioca, sweet-potato, groundnuts, maize and sugar cane.

The growing and marketing of vegetables is largely in the hands of Chinese, but yields are low owing to the infertility of the soil and the lack of bulky organic manures.

Cash Crops

Rubber is the only cash crop of any importance. Some food produce is marketed locally but almost none is exported.

Rubber is grown on properties ranging in size from smallholdings of about one acre to large estates of over 1,000 acres in extent. The total acreage planted has doubled since before the war, and in 1953 was 30,575 acres of which 13,000 acres consisted of smallholdings.

EXPORTS OF RUBBER: 1938, 1947–53

	Quantity Tons	*Value* $
1938	1,358	705,513
1947	1,799	1,282,209
1948	2,037	1,594,635
1949	1,638	1,220,892
1950	2,558	6,154,169
1951	2,407	8,036,992
1952	1,780	3,785,050
1953	1,169	1,699,347

The fall in exports in 1952 and 1953 is probably due to reduced production by smallholders following the fall in prices, and also in some degree to other opportunities for employment having arisen from development in other sectors of the economy.

The only disease which seriously affects the rubber plant is Mouldy Rot (*Ceratostomella fimbriata*), and efforts have been made by the Agricultural Department to encourage growers to use fungicides to keep the disease under control.

Forestry

The forests of Brunei State cover approximately 1,600 square miles or 71 per cent of the total land area, and of this total some 911 square miles, or 43 per cent of the total land area, is reserved. The remaining 691 square miles is State land and is mainly freshwater swamp forest. Of this about 300 square miles is accessible to exploitation.

Only about 140 square miles of the Forest Reserves can be considered as being accessible to exploitation. The remainder is forest whose protection (especially against shifting cultivation) is desirable for physical reasons. These Forest Reserves include hill evergreen rain forest, mangrove forest and freshwater swamp forest.

It is estimated that in 1953 about 1,750 persons were engaged in the forest industries, 850 of whom produced timber, some 200 firewood and charcoal and the remainder jelutong and other minor forest produce. The total production of timber in 1953 was 661,760 cu. ft. of uncut wood and 176,692 cu. ft. of sawn timber. Other produce included firewood, poles, bamboo, charcoal and other types.

Extraction difficulties are and always will be the limiting factor in the exploitation of the State's timber. The rivers are shallow and carry no permanently deep water. The soft hardwoods will float but all the harder varieties sink. Roads are almost absent in the interior and there are no light railways. Conversion in the mills is poor and there are few skilled sawyers, while the hardness of the timbers varies between wide limits and necessitates a specialisation in the use of circular saws which cannot yet be applied owing to shortages of capital.

Only limited air seasoning has been possible owing to the constant demand for quick supplies of converted timber. It is hoped to introduce kiln seasoning at the Seria Oilfield using the surplus gas as fuel.

Preservation treatment is little used as yet as all external wooden members are confined to durable species. It is intended to encourage preservation treatment so that non-durable species may also be used for external work. This would eventually release some primary hardwoods for export.

The Island Trading Company have a concession, dating back to 1900, to take all mangrove bark in the State for the manufacture of cutch at a factory in Brunei Town. In the State land mangroves, the bark requirements for cutch manufacture are the prime consideration, and the unused stems are utilised afterwards for firewood, thus avoiding the previous wasteful practice of most of this firewood being thrown away.

The demand for most kinds of forest products is high. Construction timbers are in constant demand by the British Malayan Petroleum Company oilfield at Seria and by the Public Works Department for house-building, wharves, bridges, etc. Three-quarters of these are supplied by the sawmills operating within the forests of the State. The remainder—mainly primary hardwoods—is imported by the Oil Company, but these are being increasingly supplied from local sources. To meet the growing demand there has been a big increase in the number of sawmills in operation which total over 20. Only a few of these are permanent mills in the towns, the others being portable and established in the forests.

Firewood is largely in demand for Hong Kong and about 1,300 tons per month are exported. The only limits on supply are those imposed by the need to conserve marginal resources. The demand for charcoal is small and steady and readily met. *Nibong* and *attap* are in heavy demand because of the large temporary housing requirements of the Seria oilfield. The demand is being met, but with only a small margin. There is a brisk supply and demand for *rotan*, used in furniture, while the supply of *jelutong* reached its highest in 1950 as did the Singapore price for this product. The demand for *damar* and *bamboo* has been low since the war.

The Forestry Department had a net operating surplus of just over $60,000 in 1952 from a total trading revenue of about $109,000. In the previous year the surplus was about the same from a slightly lower level of activity.

Fisheries

There are two fishing grounds. From Kuala Belait to Muara the coast is exposed, and the beach shelves to

60 fathoms falling into a 1,000 fathoms trough where ground fishing is impracticable. It rises to the Louise and Charlotte reefs on the other side and pelagic fisheries are possible. Northwards the bottom is rocky with coral and dangerous to nets.

The other area is Brunei Bay, the muddy recipient of numerous estuaries. The depth nowhere exceeds 20 fathoms. Inshore fishing villages abound, but recurrent rough weather prevents the repetition of the larger jermal and jongkat characteristics of the Sarawak bay.

It is an area capable of some development. Sarawak and West Borneo lie on a shallow muddy Sunda Shelf ending at Baram point. Beyond this one passes into clearer blue water with coral reefs and rocks and a shelving sea bottom. The fish fauna changes in accordance. The large Threadfins (Benong *Polynemus*) and the shad (Terubok *Clupeailisha*) are no longer prominent, if the former occurs at all, but they may yet be found in the waters of Brunei Bay so suitable for them. On the other hand there is a marked increase in Snapper (Mer ah *Latjanus*), Groper (Kerapu *Epineplilus*) and File Fishes (Babakan *Balistes*) which form the basis of a successful fish cage industry in 20–30 fathoms, far exceeding anything in Sarawak. Ground Fishes are possibly rather more abundant in Brunei waters than in the seas of Sarawak.

Brunei Bay is noted for shrimps (Bubok *acetes*), prawns (Paya and Siar *Penaeus*) and for sardines, Tamban and Kuasi (Dussumiera and Chatoessus).

Fishing at present is carried on in a very small way. In Seria there are about 65 fishermen operating from beach seines, a few fish cages and long lines with half a dozen Chinese fish dealers. Kuala Belait is slightly larger, 130 fishermen with five beach seines and 16 drift nets, and a few Malays working fish cages.

A Fisheries Survey took place during 1950, the main purpose being to ascertain if modern methods would prove economical or if local methods could be improved, but indications were that no large-scale modern type of experimental fishing could be undertaken.

Minerals

Oil and coal are the only minerals known to exist in the State.

Oil was first discovered in quantity at about the beginning of the century and it was not until 1929, following years of drilling and prospecting, that a commercially valuable oil-bearing area was discovered at Seria which is about 30 miles along the coast from Miri in Sarawak.

This oilfield, which is now the largest producing field in the Colonial territories, has an output of about 105,000 barrels per day. It is operated by the British Malaya Petroleum Company Limited, a private company, and a subsidiary of the Shell group; it covers an area of 1,200 square miles of land, and marine concessions leased from the Government in return for which the company pays to the Government royalties of 10–12½ per cent of the value of the output. A further 1s. per ton is paid to an associated company, the British Borneo Petroleum Company.

Two varieties of oil are produced: a light waxy oil of specific gravity 0·83 which constitutes about 90 per cent of the total production, and a heavier non-waxy oil of specific gravity 0·95. At the end of 1951 there were 298 wells, of which 179 were in regular production. Of these 93 were flowing naturally, 52 were gas lifting, and 34 were pumping.

The company employs about 1,200 European and senior Asiatic staff, and a labour force of about 5,000.

About 50 per cent of the production is piped to Lutong in Sarawak for refining and subsequent export, while the remainder is shipped to the company's refineries in Indonesia and Australia. The Lutong refinery has a capacity of about 2,000,000 tons per annum.

Tankers loading crude oil are fed by submarine pipe lines from the oilfield because there is an insufficient depth of water to enable them to approach the jetties. The natural gas produced which is exported is also piped to Sarawak. The following table shows the production and exports of crude oil and natural gas from 1938 to 1953.

PRODUCTION AND EXPORTS OF CRUDE OIL AND NATURAL GAS: 1938–1953

Year	*Crude Oil*			*Natural Gas*		
	Production (long tons)	*Exports (long tons)*	*Value $*	*Production (million cu. ft.)*	*Exports (million cu. ft.)*	*Value $*
1938 ..	695,904	685,257	5,512,549	3,195	1,046	146,387
1945 ..	11,200	—	—	128	—	—
1946 ..	285,496	—	—	1 205	—	—
1947 ..	1,700,231	1,689,963	29,540,995	8,993	893	256,500
1948 ..	2,645,412	2,641,516	47,140,683	19,837	1,260	320,795
1949 ..	3,337,027	3,200,400	60,131,144	20,483	1,664	415,904
1950 ..	4,051,010	4,011,463	198,210,084	26,617	1,823	465,694
1951 ..	4,893,000	4,895,640	262,813,614	..	1,745	436,226
1952 ..	4,953,687	4,990,194	270,684,253	..	1,670	442,435
1953 ..	4,803,603	4,799,474	263,961,743	..	2,059	514,781

Exploratory drilling is being carried out about a mile off shore with the derrick mounted on a platform supported by piles. The installation is supplied by an overhead cable railway from the shore.

Further exploration is being carried out elsewhere by drilling and seismic methods and the results indicate that production should be maintained at about the present level for some time to come in spite of the slight decline in 1953.

Coal is known to occur fairly widely throughout the state, but it is no longer commercially mined, the colliery at Muawa having closed in 1925 after having been in operation for 25 years and at one time having an annual output of more than 30,000 tons.

Village Industries

The only manufactures in Brunei are carried on by craftsmen, and include silverware, brassware and strawwork. Their crafts have been handed down from father to son and are exercised under very primitive conditions in individual dwelling places in the famous river kampong of Brunei Town. The silversmiths produce entirely hand-made cigarette boxes, ashtrays, spoons, ornaments and diverse receptacles and other objects. They are encouraged in this work and protected by the Government which imports bar silver for this purpose. There has been less production of brassware since the occupation and there may be some danger of this craft falling into disuse. Among the items formerly produced, were the famous Brunei gongs and miniature cannon. The straw-workers produce baskets, mats and cushions and ply their craft in the river kampong and elsewhere. Samples of the above crafts are exported to neighbouring territories and to Singapore where they are exhibited and orders sought.

Before the Japanese occupation there was a small cottage industry of " sarong " weaving by hand in some 50 small houses in the river town of Brunei. Some of the products, especially the gold thread sarongs, were very beautiful. This industry is now being revived with Government encouragement.

Other Industries

Shipbuilding is carried out, but only of native craft and launches capable of carrying an engine.

Employment and Labour Supply

The State is not dependent to any great extent on immigrant labour, the great bulk of the labour employed being indigenous. There is no system of organised immigration.

The principal large employers are the Government, the British Malayan Petroleum Company and four European rubber estates. The table below shows the racial distribution of the labour employed according to the various categories of employment in 1952 and the total employment in the years 1938 and 1948–51.

There has been a continued growth in the numbers employed by the Government as the pace of development has increased, and in 1953 the total number employed was 1,261.

EMPLOYMENT IN MAIN INDUSTRIES : 1938, 1949–52

	1938	1949	1950	1951	1952					
					Malays and Bruneis	*Dayaks*	*Chinese*	*Indians*	*Others*	*Total*
Government (Public Works)	394	611	470	610	825	—	18	9	3	855
B.M.P.Co. (Oil Mining)* ..	1,165	4,614	4,225	3,468	1,608	483	1,416	522	58	4,087
Rubber Estates (Field and Factory)	561	562	519	539	442	6	108	—	28	584
Total	2,120	5,789	5,214	4,617	2,875	489	1,542	531	89	5,526

* Excluding senior Staff.

The normal hours of work in the oilfields for processes which are not necessarily continuous are 7¾ hours per day and 44 hours per week. For processes which are necessarily continuous, the hours are 8 per day and 48 per week. Government employed labourers work 8 hours per day, with one hour off for meals, and the hours worked on rubber estates are similar.

There is some shortage of manpower in the oil production industry where artisans in particular are not available in sufficient numbers locally and are sought abroad. This shortage may become more acute as rehabilitation of the industry proceeds. The oil company has started a school for training apprentices drawn from the local population. Workers' amenities include playing fields and an open-air cinema.

There is a large volume of casual labour. A considerable proportion of the indigenous population consists of peasant proprietors who seek outside wage-earning employment only as a seasonal occupation to supplement the means of livelihood obtainable from their smallholdings.

Since the war, wages in general have increased by some 200 to 300 per cent. For public works labourers, a basis wage of 80 to 85 cents is paid, with a monthly allowance of 50 cents a working day plus 30 per cent of basic wages as high cost of living allowance. Other daily wages for government work may range up to about $3 per day.

Rates of pay by the British Malayan Company Limited were increased early in 1950. Basic rates range from $3.56 per day up to $9.30 per day.

On European rubber estates, the bulk of the work is carried out by contract and a labourer can earn from $1 to $2 per day, but no high cost of living allowance is given. The system is to pay on the amount of latex brought in during the morning. In the afternoon, the labourer is offered other types of work such as clearing undergrowth and draining at so much per chain. Some Malays, Indians and Chinese also make a living from tapping rubber, and earnings average about $3·50 per day.

Conditions of labour are governed by the provisions of the Labour Code. All labour is free, and contract or indentured labour is not allowed. Verbal agreements to work may be entered into for any period not exceeding one month, and in the absence of proof to the contrary, all agreements are presumed to be for that period. Where the engagement is monthly, it may be terminated by one month's notice, or by payment of 24 days' wages on either side. There are no penal sanctions for breach of agreement by the labourer. The employer is bound to provide at least 24 days' work in each month for every labourer employed by him, and no labourer can be required to work for more than six days in one week or for more than nine hours a day or six hours on end. (In actual practice, the number of hours worked is almost invariably less than the statutory maximum). Overtime is payable at double rates. No labourer may be fined by his employer for bad work or damage to property. The employment of women and young persons on night work or on underground work in mines is prohibited. Maternity benefit is payable to female labourers during the period of absence from work for one month before and one month after confinement.

There are no trade unions or employees' organisations in Brunei.

Fuel and Power (including Water Supplies)

A government electrical department is responsible for generating the supply of electricity to Brunei Town and also manages the supply in Kuala Belait which is purchased from the British Malayan Petroleum Company. The demand for electricity for lighting and power purposes has increased rapidly in recent years, and in 1950 it was necessary to install a new 150 kW. generating set for Brunei Town, and more recently to install two smaller generators for Kuala Belait. The number of lighting consumers has more than doubled since 1948 and there are now over 450, while power consumers number about 120. The oil company generates all the electricity it requires for its own use.

The main water supply of Brunei Town is a gravitational supply from a small catchment area formed by a dam on Sungei Tasek. There is no filtration or purification of the supply. In one of the residential areas of the town there are small supplies from two streams, one of which is filtered. Other dams have been constructed and further supplies are being developed as the demand for piped water supplies grows. The river Kampong is supplied from pipes which tap hill streams and overhang the river. A new purified supply is being provided for Kuala Belait and Seria by the oil company, present supplies being obtained from the Belait River at Badas. Elsewhere shallow wells and streams are the main sources of supply.

III. FINANCE AND TRADE

Public Finance

Recent financial history is dominated by the revenue obtained from royalties paid by the British Malayan Petroleum Company, who operate the oilfield at Seria. Although a lease was granted in the mid-twenties it was not until 1933 that the revenue obtained became really significant. From that year it rose steadily until the outbreak of war. Production has increased enormously since the re-occupation and the revenue of the State has benefited accordingly as the preceding table illustrates. The introduction of income tax was responsible for the large increase in revenue in 1951 and succeeding years, but although the proportion of revenue derived from oil royalties has fallen, the bulk of the income revenue accrues from profits of the oil company, and the State's dependence on the oil industry has in no way diminished. The combined payments of royalties and taxes are at present resulting in an approximately equal division of profits between the company and the State, and from the State's point of view these taxes and royalties together provide about 90 per cent of all revenue.

OIL ROYALTIES AND OTHER REVENUE

Year	*Oil Royalties* $	*Revenue from other Sources* $	*Total Revenue* $	*Royalties as % of Total Revenue*
1932 ..	67,510	294,893	362,403	19
1933 ..	235,756	345,000	580,750	41
1934 ..	286,929	358,091	645,020	44
1935 ..	383,112	430,420	813,532	47
1936 ..	489,172	439,518	928,690	53
1937 ..	482,567	566,726	1,049,293	46
1938 ..	592,350	587,629	1,179,979	50
1939 ..	710,099	563,645	1,274,644	56
1940 ..	792,537	763,817	1,556,354	51
1941 ..	548,711	777,201	1,325,912	41
* ..				
1946 ..	58,550	630,812	774,145	8
1947 ..	994,912	3,495,062	4,389,974	22
1948 ..	4,239,287	2,347,012	6,856,299	64
1949 ..	5,608,844	3,127,304	8,736,148	64
1950 ..	13,226,026	4,076,843	17,302,869	78
1951 ..	24,212,465	45,178,285	69,390,750	35
1952 ..	26,781,619	48,871,001	75,652,620	35
1953 (rev. est.)	25,472,300	60,631,800	96,104,100	26
1954 (est.) ..	24,000,300	65,893,200	89,893,500	27

* 1942–5 Enemy occupation.

As a result of the revaluation of the £ in 1949, a new agreement for royalties was concluded, and this factor is largely responsible for the rise in revenue from this source. Income tax on companies only, not on individuals, at the rate of 20 per cent (raised in 1953 to 30 per cent) was introduced in 1950, and the other principal item of revenue is from Customs duties.

Expenditure has risen in accord with the increasing prosperity of the State, but owing to the war, heavy expenditure on rehabilitation has been necessary. Progress was slow, however, owing to the difficulty in obtaining materials, labour and skilled contractors, and actual expenditure has usually fallen below the amount which had been planned. The position eased somewhat in 1952 and 1953.

BRUNEI: REVENUE AND EXPENDITURE, 1937–41 AND 1946–54

Year	*Revenue* $	*Expenditure* $	*Surplus* $	*Deficit* $
1937 ..	1,049,293	653,150	369,143	—
1938 ..	1,179,979	1,476,725	—	296,746
1939 ..	1,274,644	1,181,325	93,319	—
1940 ..	1,556,354	1,462,174	94,180	—
1941 ..	1,325,912	1,137,219	188,693	—
1946 (July–Dec.)	774,145	679,596	94,549	—
1947 ..	4,389,974	1,797,598	2,592,376	—
1948 ..	6,586,299	3,740,254	2,846,045	—
1949 ..	8,736,148	4,228,489	4,507,659	—
1950 ..	17,302,869	7,112,504	10,190,365	—
1951 ..	69,390,750	7,494,874	61,895,876	—
1952 ..	75,652,620	13,846,239	61,806,381	—
1953 (rev. est.) ..	96,104,100	21,871,133	74,232,967	—
1954 (est.)	89,893,500	32,641,127	57,252,373	—

The following tables show detailed figures of revenue and expenditure for 1938 and 1949–52.

BRUNEI—ANALYSIS OF REVENUE

	1938		1949		1950		1951		1952	
	$	%	$	%	$	%	$	%	$	%
Import Duties ..	297,906	25·2	2,092,561	24·0	2,389,102	13·8	2,272,984	3·3	2,882,846	3·7
Export Duties ..					321,178	1·9	477,237	0·7	204,075	0·3
Income Tax	—	—	—	—	8,571	—	40,026,300	57·8	41,583,709	55·1
Other Duties, Taxes and Licences	135,296	11·6	170,010	1·9	196,128	1·1	239,997	0·3	167,658	0·2
Fees of Courts, etc.	22,949	1·9	125,847	1·4	139,099	0·8	358,102	0·5	175,244	0·3
Government Undertakings ..	30,984	2·6	309,695	3·6	246,851	1·4	340,028	0·5	572,844	0·8
Revenue from Government Property	15,200	1·3	52,286	0·6	55,985	0·3	58,416	—	93,176	0·1
Mining Rent	643,881	54·6	5,608,844	64·2	13,226,026	76·5	24,212,465	40·0	26,781,619	35·3
Forests	—	—	108,214	1·2	117,281	0·7	102,936	0·1	108,909	0·1
Interests and Miscellaneous..	31,055	2·6	225,335	2·6	353,543	2·0	1,056,085	1·5	2,768,306	3·7
Currency Profits	—	—	39,727	0·5	46,304	0·3	108,602	0·1	72,397	0·1
Land Sales	2,708	0·2	3,629	—	202,801	1·2	137,598	0·2	241,837	0·3
Total	1,179,979	100·0	8,736,148	100·0	17,302,869	100·0	69,390,750	100·0	75,652,620	100·0

BRUNEI—ANALYSIS OF EXPENDITURE

	1938		1949		1950		1951		1952	
	$	%	$	%	$	%	$	%	$	%
Civil Administration.. ..	112,336	7·6	241,046	5·7	348,695	4·9	460,422	6·1	603,446	4·4
Agriculture	21,095	1·4	116,599	2·8	132,347	1·9	153,952	2·1	291,527	2·1
Customs and Marine ..	26,306	1·8	126,370	3·0	226,264	3·2	262,356	3·5	304,102	2·2
Education	20,755	1·4	144,178	3·4	201,041	2·8	199,706	2·7	319,380	2·3
Forests and Fisheries ..	15,814	1·1	109,522	2·6	95,143	1·3	93,699	1·2	47,878	0·3
Land and District Offices ..	25,685	1·7	129,978	3·1	163,014	2·3	274,040	3·7	586,725	4·2
Medical	47,466	3·2	233,905	5·5	283,699	4·0	509,405	6·8	726,873	5·2
Pensions	27,234	1·8	44,334	1·1	69,324	1·0	111,470	1·5	58,645	0·4
Police and Prisons	44,539	3·0	144,890	3·4	220,572	3·1	226,780	3·0	336,841	2·4
Posts and Telegraphs ..	26,071	1·8	171,042	4·0	183,257	2·6	211,971	2·8	305,372	2·2
Public Works	89,334	6·1	273,422	6·5	305,019	4·3	383,235	5·1	1,555,887	11·3
Miscellaneous	870,131	58·9	1,279,034	30·3	2,207,616	31·0	2,043,038	27·3	3,086,514	22·3
		89·8		71·4		62·4		65·8		59·3
Public Works—Extraordinary	149,959	10·2	1,209,673	28·6	2,676,513	37·6	2,564,800	34·2	5,623,049	40·7
Total	1,476,725	100·0	4,223,993	100·0	7,112,504	100·0	7,494,874	100·0	13,846,239	100·0

The expansion of the State's revenue in recent years has led to the accumulation of substantial surplus balances which have been largely responsible for the growth of the Colony's assets. The table below shows the total value of these assets since 1938, and there follows a statemen of the Colony's assets and liabilities as at 31st December, 1953.

TOTAL ASSETS, 1938–1953

	$
1938	1,612,290
1939	2,037,567
1946	3,589,967
1947	6,773,365
1948	9,164,806
1949	13,030,604
1950	23,561,165
1951	81,782,857
1952	144,519,635
1953	228,058,764

ASSETS AND LIABILITIES, 31st DECEMBER, 1953

Liabilities	$'000	Assets	$'000
Deposits..	747	Cash in Treasury	15
Current Accounts	1,408	Cash in Banks	9,063
General Reserve Fund..	128,969	Current Accounts	8
General Revenue Balance	95,941	Joint Colonial Fund	9,720
Development Fund	994	Investments	206,146
		Loans	1,059
		Advances	1,679
		Suspense	155
		Supply Depot	215
	228,059		228,059

There is no public debt.

Brunei has received no allocations under the Colonial Development and Welfare Act, and it is not expected that need for any will arise in the foreseeable future.

Currency and Banking

The State is a party to the Malayan Currency Agreement and Malayan currency is the only legal tender.

The standard coin is the Malayan silver dollar with a par value of 2s. 4d., at which value it is linked to sterling. Subsidiary silver coins are those of value 50 cents, 20 cents, 10 cents and 5 cents. There are also nickel 5 cent coins and copper coins of 1 cent. Currency notes are issued in different denominations from 5 cents upwards.

A Currency Commission has been established (North Borneo Ordinance No. 10 of 1951) by the Government of the Federation of Malaya, the Colonies of Singapore, Sarawak, North Borneo and the State of Brunei to provide for and control the supply of currency of all the territories. (See Appendix 4, page 159.)

Banks operating in Brunei State are as follows :—

(i) Hong Kong and Shanghai Banking Corporation with branches at Brunei Town and Kuala Belait.

(ii) Post Office Savings Bank with branches at Brunei and Kuala Belait.

The total number of depositors and the amount standing to their credit with the Post Office Savings Bank for the years 1938 and 1947–53 were as follows :—

POST OFFICE SAVINGS BANK

Year	*Number of Depositors*	*Amount*
		$
1938	353	35,694
1947	241	59,725
1948	625	231,863
1949	675	161,147
1950	759	195,455
1951	928	265,605
1952	1,162	374,122
1953	1,399	521,378

Private Investment

No companies are registered in Brunei and no data is available as to the amount of investment carried out by the companies operating in the State. In the case of the British Malayan Petroleum Company alone, however, post-war investment amounts to several hundred thousand pounds. The following table gives details of non-resident companies operating in the State:—

COMPANIES OPERATING IN BRUNEI

Name of Company	*Nature of Operations*	*Nominal Capital*	*Paid-up Capital*	*Head Office*
		£	£	
1. British Malayan Petroleum Co., Ltd.	Oil Production	100,000	100,000	London
2. Hong Kong and Shanghai Banking Corporation ..	Banking	1,250,000	1,250,000	Hong Kong
3. Harrisons and Crosfield (Borneo), Ltd.	General Merchants	116,650	66,000	Jesselton
4. Borneo Co., Ltd.	General Merchants	1,000,000	1,000,000	London
5. Island Trading Co., Ltd.	(*a*) Cutch Factory (*b*) Rubber Estates	1,000,000	86,616	London
6. Brunei United Plantations, Ltd.	Rubber Estates	233,300	66,500	Singapore
7. Lawas (Sarawak) Estates, Ltd.	Rubber Estates	400,000	202,362	London
8. Brunei (Borneo) Rubber and Land Co., Ltd.	Rubber Estates	70,000	58,000	London

Cost of Living

No price or cost of living indices are kept, but the cost of living is believed to be about three times its pre-war level. The prices of certain foodstuffs are controlled and the essential commodities, rice, flour and sugar, are distributed from a Government controlled supply depot. The following table compares the 1938 prices of certain commodities with those ruling in 1950 and 1951, since which times there has been little change.

PRICES OF CERTAIN COMMODITIES, 1938, 1950–51

		1938 $	1950 $	1951 $
Rice	per gantang	0·23–0·32	1·80	2·00
Flour	per kati	0·07	0·35	0·35
Sugar	„	0·08	0·56	0·70
Salt	„	—	0·42	0·15
Tea (Ceylon)	per ¼ lb.	—	1·20	—
Coffee (Seeds)	per kati	—	2·30	2·35
Fish (fresh)	„	0·16	0·20–0·85	0·90–1·60
Fish (salted)	„	—	1·00–1·30	0·80–1·30
Meat	„	0·20–0·45	0·70–1·00	2·25–2·50
Bread	per loaf	—	0·10	0·10
Eggs	each	0·02–0·03	0·20	0·25
Chicken and Duck ..	per kati	0·30–0·45	2·50	3·00–3·80
Vegetables	„	—	0·50–0·60	0·40–0·85
Coconut oil	per bot. of 24 oz.	—	1·50	1·50
Fruit	per kati	—	0·50–0·60	0·75–0·90
Cloth	per yard	—	0·80–2·00	1·20–1·50

The staple food is rice and normal adult monthly consumption is about 5–6 gantangs.
(A gantang of rice is equivalent to about 8 lb.)

Balance of Trade

Until the exploitation of the Seria oilfield began, Brunei regularly had a surplus of imports on the visible trade account. From 1934 onwards, however, the value of exports has continually exceeded that of imports and the gap between the two has been widening.

BRUNEI—PRINCIPAL IMPORTS 1938, 1951–53

	Unit	1938		1951		1952		1953	
		Quantity	*Value* $	*Quantity*	*Value* $	*Quantity*	*Value* $	*Quantity*	*Value* $
Rice	piculs	47,142	193,772	53,159	1,513,230	89,916	2,882,917	72,477	2,472,461
Other grains	—	—	20,587	—	2,236,301	—	236,918	—	265,309
Flour and other milled cereals	lb.	..	25,683	1,330,256	269,758	1,467,833	347,991	1,853,567	395,876
Sugar	lb.		64,922	2,824,740	715,763	3,953,614	1,317,539	3,141,167	907,610
Milk and milk products (including butter and cheese)	lb.	—	36,741	678,380	593,391	926,481	832,167	1,120,171	935,415
Tobacco	lb.	108,403	103,601	195,546	1,022,821	238,328	1,413,129	317,486	1,732,070
Alcoholic beverages.. ..	galls.	9,150	29,880	175,712	883,124	137,419	826,783	210,466	1,202,833
Petroleum and petroleum products	galls.	206,862	94,320	2,646,265	2,522,827	3,337,212	3,889,071	3,618,313	4,491,613
Timber	tons	..	65,988	3,201	263,565	6,583	879,151	8,329	1,190,633
Cement	tons	2,117	53,792	16,967	1,884,256	..	3,457,218	..	3,277,847
Mining and industrial machinery	—	—	244,005	—	4,810,811	—	11,259,365	—	14,809,269
Power generating machinery	—			—	912,887	—	1,764,533	—	7,384,520
Electrical machinery ..	—			—	1,094,569	—	1,100,936	—	4,292,215
Road vehicles	—		46,809		1,602,343	—	4,046,533	—	7,915,133
Chemicals and drugs ..	—	..	..		1,452,988	—	2,197,926	—	4,568,752
Cotton fabrics	yds.	..	91,304	517,051	447,543	989,266	703,004	1,212,818	1,048,383
Other fabrics	yds.	..	25,741	541,513	582,920	93,709	104,606	155,271	180,517

BRUNEI—PRINCIPAL EXPORTS 1938, 1951–53

	Unit	1938		1951		1952		1953	
		Quantity	*Value* $	*Quantity*	*Value* $	*Quantity*	*Value* $	*Quantity*	*Value* $
Crude oil	Tons	685,257	5,512,549	4,895,640	262,813,614	4,990,194	270,684,253	4,799,474	263,956,743
Firewood (Mangrove)	,,	..	1,796	14,891	334,264	17,895	460,950	15,761	270,756
Jelutong rubber ..	,,	117	81,948	81	217,302	140	260,516	2,586	271,445
Plantation rubber ..	lb.	2,778,351	623,565	5,161,694	8,036,992	3,928,698	3,785,050	2,616,605	1,699,347
Natural gas ..	000 cu. ft.	1,045,621	146,387	1,744,904	436,226	1,669,740	442,435	3,059,000	514,781

Apart from foodstuffs the principal items imported in recent years have been mining and industrial machinery and road vehicles for use by the petroleum company. About 95 per cent of the value of exports consists of crude petroleum which is piped to Sarawak for refining.

IMPORTS AND EXPORTS, 1930–38, 1947–53

Year	*Imports* ($)	*Exports* ($)
1930	2,536,422	807,449
1931	2,193,511	501,494
1932	2,430,247	1,505,738
1933	2,411,768	2,191,037
1934	1,887,339	3,390,750
1935	2,415,499	3,709,499
1936	1,869,994	4,147,335
1937	2,516,154	5,595,240
1938	2,821,799	6,580,482
1947	18,746,000	31,205,000
1948	36,133,000	49,533,000
1949	35,835,170	60,131,144
1950	60,265,034	205,388,521
1951	50,358,830	279,641,740
1952	76,719,967	275,633,204
1953	122,322,162	282,593,113

The overwhelming majority of imports and exports go to and come from Singapore and their sources of origin and final destinations are not known.

The favourable balance of visible trade is largely the result of the remittances abroad of oil company earnings, although the exact amount of these is not known, and no complete analysis of the territory's balance of payments can, therefore, be given.

IV. DEVELOPMENT

Until 1953 Brunei possessed no formal plan of development, but an expenditure of $10,000,000 had been earmarked out of anticipated budget surpluses for various development projects. The main proposals were for rural development, communications, and the improvement of health and educational services. Under these heads efforts were made to improve methods of food production, especially of rice, and to encourage the growing of alternative crops to rubber, which latter it was hoped to develop on co-operative lines. A new hospital of 110 beds was built and a number of new schools were opened. These works were carried on simultaneously with the rehabilitation and repair of buildings, roads and other services which extensive war damage had made necessary.

From 1950 onwards the rapid expansion of production of petroleum from the Seria oilfield brought greatly increased revenue to the State from income tax and oil royalties, and in 1953 it was decided that $100,000,000 from surplus funds should be set aside in a Development Fund to pay for a more comprehensive five-year Development Plan which would be undertaken from 1954 to 1958. To supervise this expenditure a Development Committee was set up and a Commissioner for Development has been appointed. The main outlines of the plan, for which detailed estimates have not yet been prepared, are for works to be undertaken in the fields of Social Services, Agriculture, Communications, Town Improvements, Reclamation and Anti-erosion, Water Supplies, Electricity, Education, Medical Services and Child Welfare.

Expenditure on Social Services is planned to consist of the payment of pensions and disability allowances to the aged and infirm and to widows and orphans, and also to provide land near Brunei Town for the resettlement on small holdings of as many as possible of the landless inhabitants of the Kampong Ayer, Brunei.

Agricultural development is to be encouraged by the improvement of the rubber industry through the provision of high yielding plants from a Government nursery, and also by the building of irrigation dams.

A new road is to be built from Brunei Town to Kuala Belait which will, by avoiding the coast, relieve traffic from dependence on ferries and the state of the tide. Other existing roads will also be improved and asphalted. Also under the head of Communications will be improvements to the wharves and channels at Brunei and Kuala Belait, the installation of an automatic telephone exchange in Brunei Town and a radio telephone system, and finally the improvement of facilities for air transport.

Town plans will be prepared to provide for the orderly growth of Brunei, Kuala Belait and Seria and waterborne sewage will be provided. A number of waterlogged areas in the vicinity of the main towns will be reclaimed and improvements will be made in domestic water supplies and in the supply of electricity in the principal urban areas.

The educational programme includes the building of some 30 new schools and the improvement of a number of those already in existence, together with the provision of more than 150 new quarters for teachers and other staff. A comprehensive scheme of scholarships for higher education and training will also be introduced.

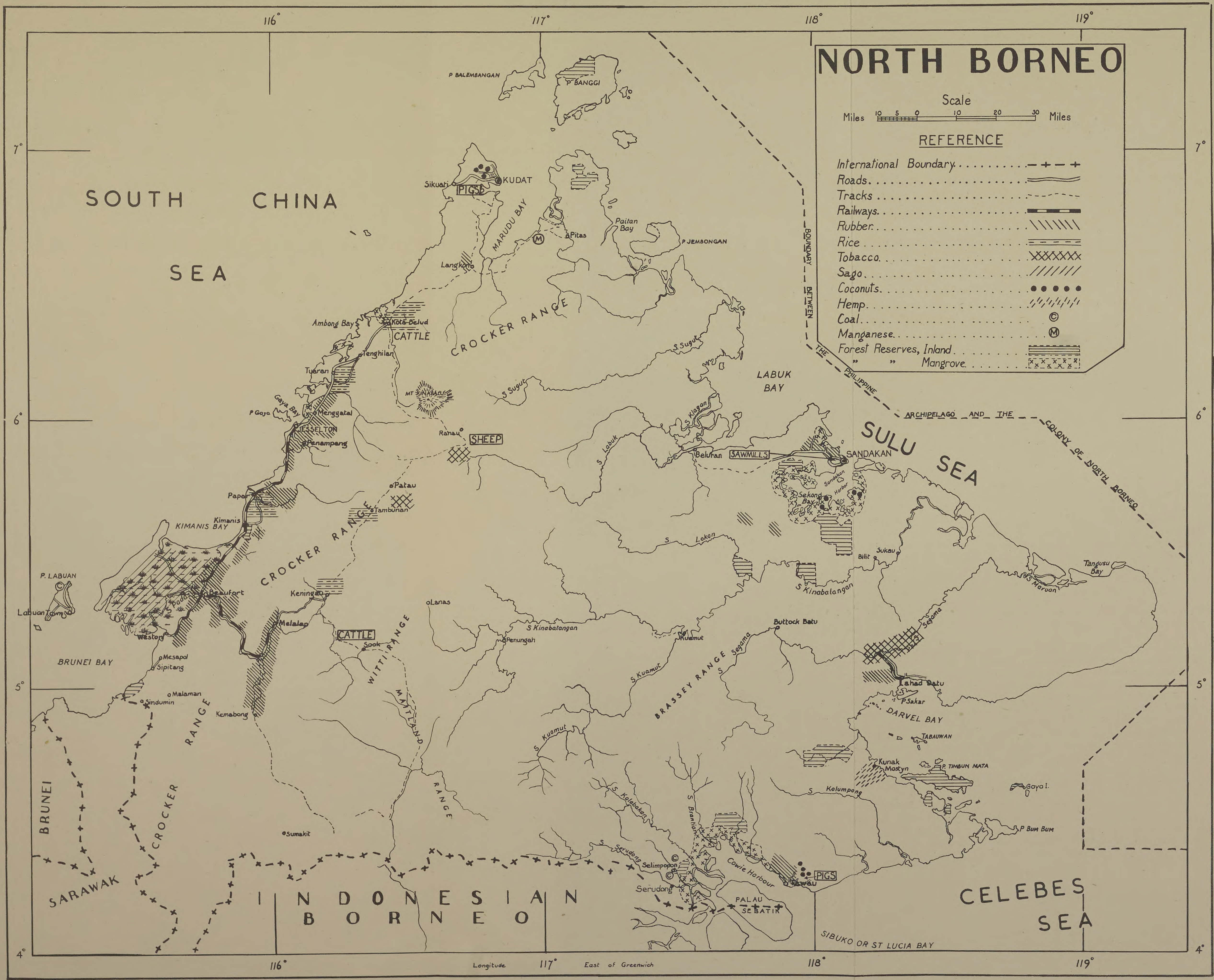
Medical services will include the provision of a new hospital, travelling dispensaries, anti-malarial work and the training of medical staffs, while in the field of Child Welfare, maternity services and school meals are proposed.

Expenditure of this magnitude is far in excess of anything which Brunei has previously undertaken, and the limiting factors are likely to be the availability of skilled staff to direct and supervise the projects and also the ease with which materials and supplies may be obtained.

V. MISCELLANEOUS

Weights, Measures, etc.

Both English and local weights and measures are in general use in the State. The principal local weights and measures with their English equivalents are given in Appendix 3, page 159.



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NORTH BORNEO

I. GENERAL BACKGROUND

Geographical and Climatic Features

North Borneo occupies the northern portion of the Island of Borneo, and lies approximately between latitude 4° and 7° North and longitude 115° and 119° East ; it is 1,000 miles from Singapore, 1,200 miles from Hong Kong, 600 miles from Manilla and 1,500 miles from Port Darwin.

Lubuan, which now forms part of the Colony, is a small island commanding the Bay of Brunei. It lies three miles off the mainland, and consists of low, undulating land. Victoria is the only town of any size on the island and has an excellent, well-sheltered harbour.

North Borneo and Labuan together comprise an area of 29,387 square miles (roughly the size of Ireland). It is 200 miles from east to west, and a little more from its northern to southern extremities. To the south, its boundary runs with Sarawak and Indonesian Borneo, and to the east there is a line of demarcation dividing the islands surrounding the coast between Borneo and the Philippines.

The country contains central mountain ranges from 4,000 to 13,000 feet in height, culminating in Mount Kinabalu (13,455 feet), the highest mountain in the East Indies.

The 900 mile coastline is formed mainly of alluvial flats with many creeks and swamps. Hills and valleys in most cases are covered with dense forests, and there is an extensive system of rivers which form the only highways in some parts of the country. The longest, the Kinabatangan, follows a course of about 350 miles and is navigable for considerable distances. This river and its tributaries irrigate the most extensive plain in the Colony, containing some 4,000 square miles of rich and fertile soil. The Segama, in the south-east, is navigable for 60 miles. Other main rivers in the east are the Labuk and Sugut. The Padas is the longest river on the west coast and is navigable for 60 miles, as far as Beaufort. The long coastal plain, which the west coast rivers water, contains the main rice and rubber producing areas of the Colony.

The capital of North Borneo, Jesselton, with a population of 11,704 in 1951, has a well-sheltered harbour for vessels of moderate size, from which most of the rubber produced in the west coast is shipped. Mid-way along the east coast is the magnificent harbour of Sandakan.

Other important towns are Kudat, Tawau, Lahad Datu and Cowie, all possessing good harbours.

The Colony is divided into three Residencies—the West Coast, the East Coast, and Labuan and the Interior.

The climate is tropical, temperatures varying from 70° F. to 88° F. on the coast, rising to a maximum of 94° F. on exceptionally hot days. The following are average mean temperatures :—

	Maximum	*Minimum*
Jesselton	88°	72°
Sandakan	88°	75°
Tambuan (situated in the high land of the interior)	86°	66°

Humidity is high in most places.

Moderately strong gales are common during the north-east monsoon, but North Borneo is outside the typhoon belt.

Rainfall varies from 60 inches to 180 inches in various localities. The wet seasons usually occur during the north-east monsoon from October to March, the dry season during the south-west monsoon from April to September.

Population

A census carried out in June, 1951, showed a total population of 334,141, as compared with 277,476 in 1931. The estimated population in December, 1953, was 360,612.

The greater part of the population is concentrated in the west coast regions of the Colony. In 1951, out of a total population of 334,141, only 93,498, or 28 per cent, lived in the east coast areas, the remaining 72 per cent living in the west coast and western inland areas of the Colony. By far the greater part of the interior of the country is either completely uninhabited, or sparsely inhabited by a few wandering tribes. This tendency for the population to be concentrated near the coast and especially the west coast, has been strengthened during recent years, and there appears to have been a fair amount of movement from the interior to the coast where there are more favourable economic opportunities.

The following table shows changes in the numbers of the main communities between 1931 and 1951 :—

POPULATION, 1931 AND 1951

Community	1931	1951	% *Increase* (+) *or* *Decrease* (−)
European and Eurasian	647	1,213	+87·5
Dusun	110,483	117,867	+ 6·7
Murut	24,444	18,724	−23·4
Bajau	34,099	44,728	+31·2
Other Indigenous ..	36,192	61,690	+70·5
Chinese	50,056	74,374	+48·6
Others	21,555	15,545	−27·9
Total	277,476	334,141	+20·4

The very wide differences in the figures of population increase and decrease between the different community groups, and especially the increase of over 70 per cent in the numbers of persons classified as " Other Indigenous ", suggests that some may have declared themselves as belonging to different communities at the time of the census of 1951.

There was a slight surplus of males over females in 1951, the proportion being about 1,066 males per 1,000 females. The ratio was highest among the Chinese (1,258 males per 1,000 females) and the Europeans and Eurasians (1,280 males per 1,000 females) and lowest among the Muruts (965) and the Dusuns (973). The surplus of males among the Chinese was less in 1951 than in 1931, when there were 1,770 males per 1,000 females among the Chinese population. This changing proportion suggests that the Chinese population is becoming more stable in North Borneo, and has less of the characteristics of a purely immigrant community.

The following table shows literacy rates in any language among the various communities in 1951 :—

LITERACY RATES, 1951
(per thousand)

Community	*Persons*	*Males*	*Females*
Dusun	45	84	7
Murut	39	77	2
Bajau	42	80	5
Other Indigenous ..	87	156	17
Chinese	303	411	166
Others	202	281	76
Total	117	186	44

These rates refer to the total population. No detailed analysis of the population by age groups is yet available, and there is, therefore, no information about literacy rates among the adult population. These figures refer to literacy in a number of languages, but Malay is used as a *lingua franca* in most parts of the Colony.

The population of the main towns in 1951 was as follows :—

Sandakan	14,499
Jesselton	11,704
Tawau	4,282
Victoria, Labuan	2,526
Kudat	1,895
Papar	1,772
Beaufort	1,576
Tuaran	1,188
Semporna	1,087

As the above tables show, there are three principal tribes, Dusuns, Muruts and Bajaus. The Dusuns, who consist of a number of smaller tribes of similar origin and customs, are the most important and live along the west coast, in the plains and hills of Tambunan and in Ranau in the interior. They are a prosperous people and are the chief rice producers in the country.

Next in importance, numerically, are the Muruts, who inhabit the mountainous, inaccessible country towards the Dutch border. They have not yet adopted a system of settled agriculture, but follow the age-long practice of shifting cultivation. Their numbers have been declining for some years past.

The Bajaus, a seafaring people, found mainly on the east coast, are the smallest tribe. A large group, who have settled in the Kota Belud district on the west coast, have learned the art of wet padi planting from the Dusuns.

The largest non-indigenous race are the Chinese who, while engaged in agriculture and commerce, also supply most of the artisans for local industries. The majority of them are Hakka, who provide many of the clerks and subordinate technicians employed by Government and commercial firms.

The Europeans, while few in number, are economically very powerful. In general, they are employed by Government and by the large United Kingdom trading and plantation companies.

In addition, there are a few Indonesians and a number of smaller tribes, such as Bisayas and Orang Sunge: a few Indians and Pakistanis are engaged in dairy farming, and there has been a movement of population from the Cocos Islands to work on the hemp and tobacco estates.

The Malay population is chiefly settled in the Sipitang district on Brunei Bay and at Papar, near Jesselton, where they are almost exclusively employed in fishing.

OCCUPATIONS, 1951

Occupation or Industry	*Persons*	*Males*	*Females*
Agriculture*	82,998	47,296	35,702
Coconuts, copra, coconut oil ..	3,373	2,822	551
Rubber	20,331	15,500	4,831
Tobacco production	816	709	107
Hemp	942	771	171
Timber	3,637	3,479	158
Firewood and cutch	1,821	1,690	131
Fishing	5,452	5,311	141
Mineral oil	269	267	2
Boat building	534	530	4
Electric supply	135	125	10
Blacksmithing	171	171	—
General manufacture	682	563	119
Building	1,642	1,520	122
Transport and communications	2,345	2,283	62
Commerce, banking	6,037	5,676	361
Government service (not including the Railway department)	4,225	3,931	294
Professional service	874	623	251
Personal services	1,191	908	283
Entertainment	236	205	31
Catering	1,811	1,493	318
Domestic service	49,175	698	48,477
Non-employed :			
Students	21,139	14,626	6,513
Unemployed	410	311	99
No occupation	7,089	2,864	4,225
Total	217,335	114,372	102,963

NOTE.—Children under 15 years are not included unless they attend school in which case they are " Students ".

* I.e., unspecialised agriculturalists.

Social Amenities

Education

All types of schools have now been organised to conform to an educational system which, when fully developed, will consist of two periods—six primary years and six at secondary level. Primary schools fall into five categories :—

(i) Schools maintained by Government ;
(ii) Local Authority and Native village schools;
(iii) Mission schools, some of which are aided by Government grants ;
(iv) Chinese schools, chiefly maintained by local Chinese communities ;
(v) Private and estate schools.

The following tables give some indication of recent progress in the educational field :—

NUMBER OF SCHOOLS OPEN

Year	*Government*	*Mission*	*Chinese*	*Others*	*Total*
September, 1946	48	43	51	2	144
June, 1947	60	45	52	8	165
October, 1948	66	56	70	9	201
September, 1949	65	58	73	8	204
September, 1950	70	59	77	12	218
September, 1951	71	58	82*	8	219
September, 1952	73	62	86*	7	228
September, 1953	70	68	81*	14†	233

ENROLMENT—ALL SCHOOLS

Year	*Government*	*Mission*	*Chinese*	*Others*	*Total*
September, 1946	2,706	3,160	4,402	—	10,268
June, 1947	3,304	4,661	5,868	219	14,052
October, 1948	3,939	5,780	6,906	245	16,870
September, 1949	3,811	6,601	7,406	202	18,020
September, 1950	3,904	7,019	8,489	212	19,624
September, 1951	4,044	8,016	9,028	300	21,388
September, 1952	4,310	8,790	9,479	412	22,991
September, 1953	4,739	9,167	9,361	838	25,105

* Includes night schools (5 in 1951, 6 in 1952 and 2 in 1953).

† Includes 3 Local Authority schools previously classified as " Government ".

Out of a total of approximately 80,000 children of school age, only some 24,000 or under 30 per cent were receiving schooling during 1952. This figure is made up of about 8,000 natives and 16,000 Chinese, 17,000 of the enrolled pupils in 1952 were boys and 7,000 girls.

There are 15 post primary schools, and a Teachers' Training College and a Government Trade School. Post-primary education is now catering for just over 1,600 children in 12 mission secondary schools and three Chinese middle schools. At present most of the children receiving secondary education belong to the Chinese community, and it is intended that in future, provision should be made for the other races.

At present, there is a scarcity of trained teachers; however, a local Teachers' Training College at Tuaran, financed for its first five years by Colonial Development and Welfare funds, was completed and ready for occupation early in 1953. At the end of 1953 89 students were in residence, of whom 75 were men and 14 were women. While the Tuaran Teachers' Training College was being built, a start was made with training courses in temporary accommodation provided in the Menggatal Trade School.

Vocational training is confined to that given at the Government Trade School at Menggatal, first opened in 1949, and at present covering a two-year course in carpentry. In May 1953 eleven pupils were awarded a certificate as having completed satisfactorily the two-year course in carpentry. Of these eleven pupils, eight are gainfully employed as carpenters, two are being trained to give carpentry instruction in schools, and only one has failed to make use of his training. In February, 1953, a further intake of 30 pupils was accepted.

Expansion will include the training of mechanics and fitters.

SCHOOL ENROLMENT BY STAGES

Year	*Primary*	*Secondary*	*Total*
September, 1946 ..	10,268	—	10,268
June, 1947 ..	13,959	93	14,052
October, 1948 ..	16,688	182	16,870
September, 1949 ..	17,705	315	18,020
September, 1950 ..	19,140	484	19,624
September, 1951 ..	20,738	650	21,388
September, 1952 ..	21,953	1,038	22,991
September, 1953 ..	22,498	1,607	24,105

Health

The Medical Department maintains hospitals at 17 centres, providing 665 beds, a new hospital providing 100 beds having recently been completed at Sandakan, while a Cottage hospital with 32 beds was also built during 1953. Thirty-two dispensaries run by qualified dressers under the supervision of District Medical Officers, are distributed throughout the districts and many provide accommodation for in-patients.

Maternity and Child Welfare clinics are also operated. In addition, the erection of four Health Centres has been approved. These are to be financed from Colonial Development and Welfare funds. Meantime, work is being carried on at 19 temporary centres.

There is a Leper Settlement at Benhala Island (Sandakan) and a Mental Hospital in Sandakan.

Due to the inaccessibility of many parts of the Colony, figures for vital statistics should be treated with reserve.

VITAL STATISTICS, 1947–53

Year	1947	1948	1949	1950	1951	1952	1953
Births registered	6,630	6,716	8,037	9,064	10,453	11,486	11,155
Deaths registered	5,136	4,552	4,298	4,320	4,503	4,530	4,405
Excess of births over deaths	1,494	2,164	3,739	4,744	5,950	6,956	6,750

The above do, however, provide a useful guide to the excess of births over deaths.

The main causes of death are fever (unclassified), pneumonia, tuberculosis and dysentery, but detailed statistics are not available. The health of the population has, however, shown a steady improvement since the end of the Japanese occupation. Research work on malaria is being carried on with the aid of a grant under the Colonial Development and Welfare Act.

Housing

The housing needs of the rural population are essentially simple, but increasing signs of prosperity and modernity are noticeable in coastal villages and those nearer the main towns.

The communal housing system is no longer practised by the prosperous Dusuns of the coast and inland plains; their villages now, as in most other places, consist of houses raised above the ground on piles and entered by means of a ladder or notched tree trunk. These are constructed of wooden posts, bamboo, bark, sago-leaf with a thatched "attap" roof made from the leaves of the nipah or sago palm.

The more primitive Muruts and Hill Dusuns still use the "long-house" which may be 200 feet long, and contain the whole village. It consists of a long central passage with self-contained family cubicles, opening off both sides, and an open space in the centre which serves as the public meeting place.

The problem of urban housing has been particularly acute since the war, during which both Sandakan and Labuan were completely destroyed and Jesselton was severely damaged. Since then there has been a great deal of private house building in the towns, but much of it, especially during the first three years after the war, was of a low standard, and in temporary types of construction.

Considerable progress in town planning is foreseen as a result of the Town and Country Planning Ordinance (No. 14) introduced in 1950 which provides for improvement and construction of roads, buildings and other structures, community planning, amenities, public services, transport and communications.

Plans have now been completed for all the main towns and for a number of smaller townships. In some places, Tuaran, Keningau and Inaman, for example, whole townships have been rebuilt and elsewhere rapid progress is being made with public, commercial and residential building. A new township has been completed near Jesselton, and good progress has been made in a programme of housing for Government staff.

Social Security

In July, 1950, the Workmen's Compensation Act (Ordinances Nos. 2 and 3 of 1950) was brought into force. The former extends to North Borneo the provisions of the Straits Settlement Workmen's Compensation Ordinance, while the latter institutes a system of compensation for accidents arising out of employment.

Quarterly poor rates are paid into the Pauper Fund, from which Institutes at Jesselton and Sandakan are maintained for persons mentally and physically incapable of earning their living. The rates are:—

- 30 cents a quarter on each worker employed;
- 5 cents per acre per annum (maximum $36·00) on country land, and
- 2 per cent per annum of the assessed annual value on land, houses and buildings within Sanitary Board areas, or on commercial or industrial buildings.

In 1951 an Ordinance was passed to establish and regulate a Government Savings Bank, but this had not been set up by the end of 1953.

A Widows' and Orphans' Pensions Fund was established in 1951. A Social Welfare Council has also been established under the chairmanship of the Commissioner of Labour and Welfare.

Political Structure

Constitutional and Political Background

Up to 1941, North Borneo was administered by the British North Borneo Chartered Company.

The Constitution of the Government of North Borneo was established and regulated by Letters Patent, dated the 10th July, 1946, under which a Governor and Commander-in-Chief was appointed to administer the Colony with the assistance of an Advisory Council. By this instrument, full sovereign rights were assumed over North Borneo, following the North Borneo Cession Order in Council, dated the 10th July, 1946, and the Labuan Order in Council of the same date, by which the former State of British North Borneo and the Settlement of Labuan became the new Colony of North Borneo.

On the 17th October, 1950, the new Constitution establishing Executive and Legislative Councils was brought into force by Proclamation.

The Legislative Council comprises the Governor as President, three ex-officio members, nine official and ten nominated members. The ex-officio members are the Chief Secretary, the Attorney General and the Financial Secretary, who are also members of the Executive Council, together with two official and four nominated members.

A number of Statutory and Advisory Committees have been set up, with a view to associating the people of the country more closely with current administration of the territory.

Local Government

The Colony is divided into three Residencies, the West Coast, the East Coast and the Labuan and Interior, with headquarters at Jesselton. Sandakan and Beaufort, respectively. There are four District Officers in the West Coast Residency, at Jesselton, Kota Belud, Judat and Papar ; three in the East Coast Residency, at Sandakan, Lahad Data and Tawau ; and four in the Labuan and Interior Residency, at Beaufort, Keningau, Labuan and Tenom. In addition, there are sub-districts in each Residency under the control of an Assistant District Officer or Native Deputy Assistant District Officer.

Within each district and sub-district, village headmen carry on minor administration under native chiefs who, in turn, are responsible to the District Officer. These chiefs preside over Native Courts which deal with offences against native customs and breaches of Mohammedan law. The courts held by District Officers in their magisterial capacity are concerned with normal civil actions, breaches of the laws of the Colony and offences against the Penal Code. In addition to their other duties, District Officers and their assistants are Assistant Collectors of Land Revenue and Assistant Protectors of Labour.

In the majority of townships, there are sanitary or rural boards under the chairmanship of the Resident or District Officer. Each section of the community is represented on these boards and their revenue and expenditure form part of the general revenue and expenditure of the Colony.

In 1951, a Supreme Court of Sarawak, North Borneo and Brunei was established by Order in Council to exercise jurisdiction throughout the three territories. This required a reorganisation of the judicial system, and legislation to effect the changes was introduced (Ordinances 19-25 of 1951). A revised edition of the Laws of North Borneo is to be published shortly.

The administrative work of the Colony is carried out by 31 departments under the general direction of the Chief Secretary, the principal executive officer of Government. The Fisheries, Forests, Agricultural and Geological departments are those concerned principally with matters affecting the economic life of North Borneo.

In its relations with adjacent territories, North Borneo comes within the orbit of the Commissioner-General for the United Kingdom in South East Asia at Singapore. The Colony is also an associate member of the Economic Commission for Asia and the Far East (E.C.A.F.E.) and its allied and subsidiary organisations and is represented on the United Nations Organisation and the Food and Agricultural Organisation through the Colonial Office. It is associated with other countries in South East Asia in the Colombo Plan.

Principal Economic Legislation

General

Consequent on the loss of documents during the period of occupation, steps were taken in 1950 to enact laws for the proper registration of companies and to introduce company taxation. The following Ordinances are relevant :—

Ordinance No. 18 ..	To unify the laws relating to companies, and apply to North Borneo the provisions of the law applicable in Singapore and impose a Company tax.
Ordinance No. 19 ..	To provide for the regulation of Fire Insurance Companies.
Ordinance No. 20 ..	To provide for the regulation of Life Assurance Companies.
Ordinance No. 21 ..	To unify and amend the law relating to registration and regulation of Trust Companies.

Trade licensing is controlled by Ordinance No. 16 of 1948, amended by Ordinance No. 30 of 1950, prescribing, *inter alia*, increased fees for various categories of trading.

Ordinance No. 14 of 1949, enforces the registration of Trade Marks and provides that persons having applied in the United Kingdom or other State with which His Majesty's Government has an agreement for protection of Trade Marks

(*a*) shall have priority over other applicants ; and

(*b*) registration shall bear the same date as that of the United Kingdom application.

The Registration of United Kingdom Patents Ordinance, 1937, was amended in 1949 (Ordinance No. 16) exempting the holder of a Patent granted in the United Kingdom from payment of registration fees in North Borneo.

Trade Tariffs

Customs Control is exercised by Ordinance No. 3 of 1916 and subsequent amendments. Duties are levied as follows :—

PRINCIPAL IMPORT DUTIES, 1953

(Pikul = 133⅓ lb.)

	How Charged	*Rate of Duty*	
		General Tariff	*British Preferential Tariff*
Machinery :			
(*a*) Machinery including electrical machinery and plant unless otherwise specially taxed	*ad valorem*	7½%	Free
(*b*) Electrical fittings, appliances and parts including insulated wires and cables : radio goods including wireless receivers and parts; office, domestic and garden machines	"	15%	7½%
Matches	per 100 boxes	$2·00	$2·00
Lubricating oils	per gallon	$0·20	$0·20
Motor spirit, including benzine, benzoline, kerosene, gasoline, naphtha and petrol spirits generally	"	$0·20	$0·20
Patent and proprietary medicines unless exempted by the Free Imports List	*ad valorem*	10%	10%
Provisions :			
(*a*) Condensed milk, milk powder, and other preserved milk	per 100 lb.	$3·10	$1·10
(*b*) Butter	*ad valorem*	15%	5%
(*c*) Confectionery	"	10%	5%
(*d*) Not otherwise specified	"	5%	5%
Rice	per bag	$0·20	$0·20
Salt (other than salt used for fish curing, etc.)	per pikul	$0·05	$0·05
Soap	*ad valorem*	20% or $2 per pikul whichever is the greater	20% or $2 per pikul whichever is the greater
Sugar	per kati	$0·03	$0·03
Tea	per lb.	$0·10	$0·10
Textiles and Apparel :			
Piece goods	*ad valorem*	15% with a minimum of 2 c. per yard	7½%
Other textiles and wearing apparel (except rubber shoes)	"	15%	7½%
Rubber footwear	"	15% with a minimum of 40 c. a pair	7½%
Rubber footwear with leather upper parts	"	15% plus 40 c. a pair	7½%
Rubber soles	"	15% with a minimum of 20 c. a pair	7½%
Timber, manufactured or unmanufactured	"	10%	10%
Tobacco :			
(*a*) Unmanufactured	per lb.	$3·00	$3·00
(*b*) Manufactured (excluding cigars and cigarettes)—			
(i) imported in containers	"	$6·25	$6·25
(ii) other	"	$3·00	$3·00
Cigars	"	$10·00	$10·00
Cigarettes—2½ lb.-3 lb. per 1,000	per 1,000	$15·00–18·00	$15·00–18·00
Cigarettes exceeding 3 lb. weight per 1,000	per lb.	$6·00	$6·00
Vehicles—Motor	*ad valorem*	30% with a minimum of $150 per vehicle	10% with a minimum of $50 per vehicle
Motor-cycles	"	30% with a minimum of $45 per vehicle	10% with a minimum of $50 per vehicle
Furniture	"	10%	10%

EXPORT DUTIES, 1953

	How Charged	Rate of Duty	
Agricultural produce :			
(*a*) Coconuts	*ad valorem*	10%	
(*b*) Coconut oil	„	10%	
(*c*) Copra	„	10%	
(*d*) Hemp and any by-product or preparation thereof	„	10% on the first $20.00 per pikul plus 15% on the balance per pikul	
Rubber—plantation :			
Value less than $30 per pikul	„	5%	
Value $30–35 per pikul	„	5% on the first $30 per pikul and 10% on the remainder	
Value over $35 per pikul	„	5% on the first $30 per pikul ; 10% on the next $5 per pikul and 15% on the remainder	
Sago :			
(*a*) Raw, partly manufactured or unmanufactured	„	10%	
(*b*) Pearl	„	5%	
Tobacco	per lb.	$0·05	
Timber—Log and Sawn :		*Round*	*Converted*
Class I*	per cu. ft.	$0·17	$0·34
Class II*	„ „	$0·10	$0·20
Class III*	„ „	$0·09	$0·18
Charcoal	*ad valorem*	10% on the first $2 per pikul, 15% on balance	
Cultured pearls	„	15%	
Fish, whether fresh, salted, dried or canned, including shrimps, prawns, shell fish, sharks' fins, trepang	„	10%	
Birds nests	„	10%	
Pigs	per head	$3.00	
Damar	*ad valorem*	10%	
Firewood (mangrove firewood under special permit from the Conservator of Forests)	„	10% on first 50 cents per pikul and 15% on the balance	

* According to Timber Roll Classification under the Forest Ordinance, 1936.

Labour

Conditions of employment of manual labour and provisions by which the International Labour Conventions become effective in the Colony are embodied in the Labour Ordinance No. 18 of 1949. Other labour matters are covered under :—

Ordinance No. 31 of 1949	To regulate Trade Unions and Trade Disputes.
Ordinance No. 2 of 1950	To extend provision of the Workmen's Compensation Act of the Straits Settlement, to persons in North Borneo.
Ordinance No. 3 of 1950	To provide for Compensation to Workmen for injuries suffered in the course of employment.
Ordinance No. 12 of 1950	Prohibits forced Labour.

Land Tenure

All land which has not been alienated is Crown Land. Alienated land, if forfeited or surrendered, reverts to the Crown.

Land can be alienated to a native (as defined under the Land Ordinance No. 10 of 1930) for wet rice cultivation without a demarcation fee, but rent of 50 cents per acre per annum is payable after six years. The maximum area for native title is 15 acres.

There are two forms of land tenure : leases available to anyone, and native titles only available to natives. In either case, leases for town or country land may not exceed 99 years.

Country lands are classified and rents payable as under :—

Small holdings—areas not exceeding 15 acres.	No premium charged.
Medium holdings—areas not exceeding 100 acres.	10 cents per acre for the first six years.
Large holdings—exceeding 100 acres.	50 cents per acre for the next four years; $2·00 per acre for the next five years ; thereafter $3·00 per acre.

Immigrants may apply for a lease of Crown Land.

Land titles only convey surface rights to the holders and all minerals are reserved to the Government.

Division of land in the Colony is roughly as follows :—

	Acres
(i) Occupied by Government and under Forest Reserves	467,568
(ii) Opened up by indigenous inhabitants	128,695
(iii) Excluding Town areas and occupied by non-indigenous inhabitants	545,915
The figure at (iii) can be sub-divided as :	
European-owned	281,450
Occupied by Chinese or descendants	264,465

Immigration

Immigration is governed by the Immigration Ordinance No. 20 of 1948, the main points of which are the classification of entrants and the conditions of entry. These latter include provision for :—

(*a*) A cash deposit to be required in certain cases before entry can be permitted ;

(*b*) certificates of residence, entitling holders to re-enter the Colony and exempting them from immigration restrictions ;

(*c*) certificates under (*b*) to be granted to aliens with certain residential qualifications ;

(*d*) the onus on transportation companies regarding the removal and maintenance of persons brought to the

Colony and against whom any order for removal may be made; and

(e) the ports and aerodromes at which persons may lawfully enter the Colony.

Communications and Transport

Roads

The total mileage of roads and bridle paths in the Colony, at the end of 1953, was 1,024 miles (as compared with 236 miles in 1937) and may be classified as follows:—

	Miles
Metalled roads with asphalt surface	172
Other metalled roads	52
Earth roads	213
Bridle paths (6 feet to 8 feet wide)	587

The interior of the Colony is almost completely lacking in roads, the whole system being concentrated in a narrow strip along the west coast, around Sandakan, Lahad Datu and Tawau on the east coast, and round Kudat in the north of the Colony. There are some bridle paths and tracks in the interior, but these are few and generally in poor condition.

The construction and maintenance of roads in North Borneo is subject to unusual topographical and climatic difficulties. The main centres of population are separated in many cases by mountain ranges and swamps, while the rivers are subject to sudden and severe flooding. Heavy tropical downpours at certain seasons of the year add to these difficulties, particularly in steep and mountainous country where the danger of roads being washed away necessitates metalled roads sealed with asphalt.

The need for an improved road system is further emphasised by the increased number of vehicles licensed in recent years. The number of cars alone has risen from 798 in 1950 to 1,185 in 1953. Provision for road construction, therefore, occupies a high priority in the Colony's Development Plan and includes building a new road from Papar to Keningau and Patau, and extension of the coast road in Sandakan Bay. The Papar-Keningau-Patau road will provide access to the cattle rearing region around Keningau and the rice growing areas of this region which it is proposed to expand.

A 30-mile road from Jesselton to Kota Belud is also being built and the Papar-Bukit Manggis road reconstructed. On completion, this will be extended to the foot of the Crocker Range and lead to the opening up of valuable rice-growing areas.

Railways

The Government owned metre-gauge railway has a length of 116 miles and provides the principal means of communication along the west coast of the Colony and to Melalap in the interior. Starting from Jesselton, it serves the districts of Putatan, Papar, Benoni, Kimanis, Bangawan, Membakut and Beaufort, passing through well populated country and serving many rubber estates.

From Beaufort, a branch line, 20 miles long, runs down to the coast at Weston. This line also passes through rubber estates and many native and Chinese smallholdings, while the main line proceeds to Tenom and Melalap, through the Pada river gorge and the fertile Tenon valley.

At present there are nine steam locomotives, three diesel engines, and four powered by petrol engines, as well as a number of rail cars and rail jeeps. There has been some decline in the traffic handled since the peak was reached in 1951, and this has necessitated an increase in charges as costs have continued to mount.

Plans are under way for improvement of the existing system, in so far as available labour and the finances of the Colony will permit. These plans include the laying of heavier rails on the busiest parts of the line, and the restoration of rolling stock damaged during the war.

RAILWAY TRAFFIC STATISTICS,
1938–40 AND 1949–52

Year	*Passengers Carried*	*Passenger/ Miles*	*Goods (Tons)*	*Ton/Miles*
1938	132,225	N.A.	13,952	N.A.
1939	143,612	N.A.	14,292	N.A.
1940	173,125	N.A.	21,334	N.A.
1949	298,772	4,700,670	25,756	1,231,137
1950	402,980	6,274,335	29,965	1,446,237
1951	521,570	8,137,459	35,450	1,659,759
1952	470,000	7,757,421	34.000	1,632,270
1953	418,000	5,760,000	32,750	1,765,000

About half of the freight carried consisted of local products, mainly rubber, timber and agricultural produce.

Port Facilities

One of the most important tasks in the rehabilitation of North Borneo, is the reconstruction of port and harbour installations, nearly all of which were either entirely destroyed or severely damaged during the war years.

There are six main ports, namely, Sandakan, Labuan, Jesselton, Tawau, Judat and Lahad Datu, the length of wharf and depth alongside each together with the tonnage handled in 1953 being as follows:—

PORT STATISTICS

Port	*Length of Wharf (Feet)*	*Depth alongside (Feet)*	*Shipping, 1953 (Gross Tons)*	*Cargo Handled over Wharf, 1953 (Tons)*	*Total Cargo, 1953 (Tons)*
Sandakan	650	17	1,125,575	59,699	204,489
Labuan	680	24*	1,048,255	78,720	223,780
Tawau	155	12	346,333	27,654	46,969
Jesselton	328	20	347,501	56,606	56,863
Kudat	123	14	255,454	13,387	15,356
Lahad Datu ..	80	15	130,234	8,087	17,587
Other harbours ..	—	—	92,042	6,802	15,102

* Main wharf.

The main wharves at Labuan, Jesselton and Sandakan, which are in poor condition, are all to be replaced over the next few years. Some financial aid for these improvements will come from the U.S.A. through the Foreign Operations Administration.

Present harbour dues are 10 cents per net ton and Wharf dues are at 3 cents per gross ton per 24 hours. These charges apply to ocean-going vessels and there is a reduction in the case of smaller ships.

Coastal trade is maintained by vessels of the Straits Steamship Company which connect North Borneo ports with Sarawak and Singapore. There are six daily services. Some 600 small craft ranging between 20 and 80 gross tons operate irregular services between the Colony's ports. There is a fleet of ten 300-ton vessels in continual use between Labuan and the oilfields of Brunei and Sarawak, operating solely for the owners, the British Malaya Petroleum Company Limited.

River transport is possible by launch on the Kinabatangan and Segama rivers on the east coast. The former is 350 miles long and navigable by shallow-draught launches for considerable distances while the latter is navigable for 60 miles. The Padas on the west coast is navigable for small launches as far as Beaufort.

There are weekly services to Singapore, and regular cargo vessels to Singapore and Bangkok. Monthly services are maintained to Sandakan, Jesselton, Tawau and Labuan with direct shipment to and from United Kingdom ports, and loading timber at Labuan and east coast ports. There is also a service between North Borneo ports and Hong Kong, and various other ships call at North Borneo ports for timber. There is an ocean tug and lightering service to Labuan and east coast ports from Singapore.

Airports

Airports are maintained at Labuan, Jesselton and Sandakan. Services operating at the end of 1953 included one five times a week to Singapore, a weekly service between Labuan and Sydney, a twice-weekly service to Hong Kong and Manila and weekly services between Djakarta, Labuan and Manila, and between Saigon, Labuan, Brisbane and Noumea. Airstrips have been constructed at Tawau, Lahad Datu, Kudat, Ranau and Keningau, which are now connected by a regular internal air service.

In 1953, 3,200 aircraft carrying about 17,000 passengers and well over half a million pounds of freight and mails used the Colony's airfields.

Postal and Telegraph Services

The overseas telegraph circuits are operated by Cable and Wireless Limited. The company also operates an overseas radio telephone service to Singapore, Hong Kong, and Australia.

External radio circuits to Sarawak and Brunei are maintained while internal communications link Jesselton with stations at Labuan, Ranau, Kudat, Beluran, Sandakan, Lamag, Lahad Datu, Semporna and Tawau.

The telephone system, which was severely damaged during the war, has not yet been satisfactorily re-established, due to delays in the delivery of equipment, but the number of subscribers is continuing to rise.

There are ten post offices and two agency post offices in operation. A new posts and telegraph building at Labuan has been constructed.

An airmail service four times weekly is operated between Singapore, Sarawak and North Borneo ; a weekly service between Sydney, Darwin, Labuan and Hong Kong and between Hong Kong, Manila and North Borneo.

Sea mails are received from Singapore and overseas at intervals of six days. There is a weekly service between Hong Kong and Sandakan.

II. PRODUCTIVE ACTIVITIES

Agricultural Conditions and Methods

Much of the soil in North Borneo is of indifferent quality. No complete soil survey has ever been undertaken, but those soils which have been examined have been found to be very variable, being mainly derived from tertiary sandstones and shales. The best soils in the country are those derived from igneous rocks and known as andesite ; this type is found in the south-east section of the Colony in the peninsula between Darvel Bay and Cowie Harbour, and comprises approximately 50,000 acres. This particular area is one of the few in the Colonial territories suitable for growing manila hemp. Examination shows this soil to be deficient in manganese, but if this were remedied, it is believed that the most exacting crops could be produced. There are considerable areas of land which are potentially fertile, but owing to their inaccessibility, no detailed agricultural survey has yet been made. Generally, it can be stated that the west coast soils are poor and more suitable for producing rubber, whereas on the east coast, particularly inland from Semporna and Tawau, the soils are suitable for more selective forms of agricultural development.

European-owned and former Japanese-owned land is generally suitable for such large-scale commercial crops as rubber, tobacco and manila hemp.

In the south west lies the Klias Peninsula, a flat and swampy area, where the main agricultural production consists of sago and a little rice. North of this area, and lying close to the west coast, are the rubber plantations. Between Papar and Kota Belud, agriculture consists mainly of rice-growing and mixed crops.

Average yields are on the whole low. This is no doubt due to the lack of large-scale irrigation, the inadequate use of fertilisers and the scarcity of labour for estate agriculture. The situation regarding fertilisers has recently shown some improvement: compared with nil imports in 1948, the 1949 figure was 582 tons (value £13,413); in 1950, 402 tons (value £13,689); in 1951, 904 tons (value £30,500); and in 1952, 712 tons (value £24,400). Imports fell, however, in 1953 to 365 tons, valued at £10,000.

The total area under cultivation in 1950 was estimated at 310,000 acres, showing little variation from the figures for the period 1937–9, as will be seen from the following :—

Crop	*Area*	
	Average 1937–39 (*Acres*)	1950 (*Acres*)
Rubber	128,200	119,000
Rice	87,100	82,000
Coconuts ..	53,000	46,000
Sago	14,000	9,000
Hemp	4,800	8,000*
Estate tobacco ..	400	2,000
All other ..	N.A.	44,000†
Total ..	287,500‡	310,000‡

* Not all in production.

† Of which manioc (cassava) was estimated at 20,000 acres.

‡ These totals may contain a certain amount of double counting in respect of interplanted tree crops.

The figures in the above table are only approximate, and must, therefore, be treated with some reserve. Roughly speaking, it appears that 38 per cent of the cultivated area is under rubber, 27 per cent under rice, 15 per cent under coconuts and 7 per cent under cassava. About 70 per cent of the rubber area is near the west coast, the most important districts being Beaufort, Papar, Jesselton, Inaman and Menggatal. The main centres of wet rice production are also near the west coast, and especially in the districts of Kota Belud, Perampang and Tuaran, where it is grown mainly by Dusun and Chinese peasants. Dry rice is grown by Muruts and other hill tribes in the interior, frequently under shifting cultivation. Sago is grown mainly in the Klias Peninsula in the south-west of the Colony, where it is the staple food of a large proportion of the population. The only tobacco estate is at Darvel Bay on the east coast.

The typical North Borneo peasant farmer is not a specialist. He may combine the growing of a small area of rice or some other food crop with the growing of one or more cash crops, including, for example, a patch of rubber or tobacco.

The Agricultural Department has made costing tests with small mechanical cultivators under Borneo conditions and the indications are that considerable savings can be made if these are employed and kept in a good state of repair.

With its heavy rainfall, mountainous country and light friable soils on agricultural lands, soil erosion presents a serious problem. This is evident around the towns and on hill sides where both sheet and gully erosion are most noticeable. In general, farmers adopt measures to protect their land and cover crops are planted in the rubber estates. In the interior, with the practice of shifting cultivation, there is evidence that much good forest timber is being destroyed annually. Propaganda and demonstration in anti-soil erosion measures are, however, being carried out by the Agricultural Department.

North Borneo is subject to most of the plant diseases and pests common in similar climates, but, with the exception of “ bunchy top ” disease of manila hemp, none of them have been of major importance in preventing or reducing production of the major crops of the Colony. Of diseases of rubber trees, the Rubber Commission noted that root diseases included *Fomes lignosus*—commoner in the riverine areas, and *Ganoderma pseudiferreum* (“ red root rot ”), found in the lower foot hills. Other diseases of rubber trees noted in restricted localities included “ Pink disease ”, “ Black thread ”, “ Mouldy rot ” and “ Patch canker ”. None of these, however, were widespread. Various pests affect the rice fields, including the rice bug, the rice leaf hopper and various kinds of worms and caterpillars. Wild pigs and rats cause losses of various types of crops, and constant efforts are made to reduce their depredations.

The most serious plant disease suffered in recent years has been “ bunchy top ” disease of Manila hemp. Manila hemp estates, which had been established before the war, were found after liberation to be suffering from this disease, which spread to the greater part of the planted area. The affected areas had to be cleared of all diseased plants, and it was not until the beginning of 1952 that eradication had proceeded far enough to permit production to be recommenced on a substantially reduced acreage. There was, however, a further outbreak in 1954.

Local Food Crops

The principal crops grown for local consumption are rice, sago, coconuts, coffee, tapioca, maize, groundnuts, sugar cane, bananas and various types of fruits and vegetables. With the exception of rice and coffee, they are produced in sufficient quantities to meet demand, but there is room for considerable improvement in the quality of local fruits.

Under normal conditions, about four-fifths of the Colony's requirements of rice are now produced locally. Imports in 1950, 1951, 1952 and 1953 were 8,300 tons, 15,600 tons, 14,100 tons and 10,400 tons respectively, as compared with an average of 15,000 tons between 1934 and 1938. In 1953, about 44,200 acres were under “wet ” rice and 31,600 acres under “ dry ” or hill rice. In the case of land under wet rice cultivation, the fields are ploughed with the use of buffalo. In the interior where dry rice is grown, the locally manufactured hand-hoe is used with a system of shifting cultivation. With this method a strip of jungle is cleared and burned off, and the rice is planted on the ashes, often without any other preparation. When this soil is exhausted, the cultivator moves to another area, leaving the abandoned land to recover as best it may. Often this land becomes covered with lalang—an injurious grass which inhibits the growth of other vegetation.

According to figures supplied for the World Census of Agriculture, 1950, average yields of unmilled rice were 1,867 lb. per planted acre under wet cultivation, but only 534 lb. under dry cultivation—equivalent to about 1,100 lb. and 320 lb. of milled rice respectively. Yields of unmilled rice in 1952 were about 1,260 lb. per acre under wet cultivation and 780 lb. under dry cultivation.

Output of milled rice since 1948 has been about 30,000 tons per annum, except in 1951 and 1952 when late rains were responsible for a fall in output to about 20,000 tons. About three-quarters of output is “ wet ” rice and the remaining quarter “ dry ” rice.

Sago, produced chiefly in the Klias Peninsula, is also the staple diet of the people in that area. The total area under cultivation is estimated to be about 14,000 acres which is sufficient to meet domestic requirements as well as provide a substantial surplus for export. A great demand exists for sago palm leaves for “ attap ” roofing material, and the sago owner derives a steady income from supplying this market.

Cash Crops

Rubber is the main cash crop, and accounts normally for between 60 and 70 per cent of the total value of the Colony's exports, and about 38 per cent of the planted area. Although the rubber tree was introduced into the Colony in the 1890's, expansion of the industry was slow until about 1905, when the Chartered Company introduced special concessions for the rubber industry. “ Large blocks of land were given out on long-term leases with no more than peppercorn rents, and exemption from export duty on rubber for a period of 50 years. Furthermore, in the case of some companies, dividends were assured by the Chartered Company until such time as production commenced. This exemption from subsequent export duty continued as a usual term for all alienations for rubber, whether for large or small holdings, until 1924.”*

The main expansion of the estate industry took place before 1924. The planted acreage increased considerably after that date, and especially during the period of the Stevenson Restriction Scheme to which North Borneo was not a party. The greater part of this expansion, however, was on smallholdings. Because of this later development of the smallholding side of the industry, the average age of rubber trees on smallholdings is less than that on estates. According to the North Borneo Rubber Commission, 48 per cent of the rubber area in 1949 had been planted before 1925. Of this “ old ” rubber area, 78 per cent was on estates of over 100 acres, the remaining 22 per cent being on smallholdings. Of the area planted since 1925, only 36 per cent was on estates of over 100 acres, the remaining 64 per cent being on smallholdings. Of the total rubber area in 1949, 55·8 per cent was on holdings of over 100 acres and 44·2 per cent on holdings of less than 100 acres. Two-thirds of this latter area was made up of holdings of under 25 acres.

No production figures are available. The following table, however, showing exports, may be taken as being roughly indicative of the level of production, since there is little if any local consumption, and stocks are normally at a fairly low level.

RUBBER EXPORTS, 1937–1953

Year	*Quantity (Tons)*	*Value ($'000)*	*As Percentage of Total Value of Exports*
1937 ..	13,213	8,787	61·4
1938 ..	9,511	4,738	49·7
1939 ..	11,864	8,055	59·8
1947 ..	15,010	11,250[1]	66·5
1948 ..	20,055	18,508	62·2
1949 ..	19,516	15,941	42·2
1950 ..	23,896	59,863	65·6
1951 ..	21,698	86,194	75·8
1952 ..	19,094	39,099	60·5
1953 ..	16,844	23,300	38·7

[1] Approximate figure.

The drop in production since the boom year of 1950 is due to the downward trend of prices which has made the tapping of old trees uneconomic. Many people formerly engaged in the industry have moved to other occupations.

Yields per acre are generally low. In recent years, most estates were obtaining yields of only about 300–400 lb. per tappable acre. To a considerable extent these low yields were due to the general labour shortage, which restricted the area which could be tapped, but they also resulted from the large proportion of old and unimproved rubber trees, less than 6,000 acres being under improved rubber. Yields on smallholdings are also low, although exact figures are not available. Smoked sheet is almost the only type of rubber produced, although small quantities of lump and scrap are also exported.

The greater part of North Borneo rubber is exported to Singapore for re-export. The world price for rubber has varied sharply in recent years. In addition to these variations, there is a considerable differential between the price received by the North Borneo producer and the Singapore price. It was estimated in 1949 that costs incurred before North Borneo rubber reached the Singapore market were between $8 and $12 per pikul (between 1⅝d. and 2½d. per lb.), including $2·67 per pikul export duty. The main items in this cost were steamer freight ($2–$3 per pikul) and handling and landing charges at Singapore ($1·20–$1·50 per pikul). The cost of road and rail transport was an important item in inland areas such as Keningau, where these amounted to as much as $3·40 per pikul. Costs have certainly risen since then, but no more recent estimates are available.

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* “ Report of North Borneo Rubber Commission ”, 1949, page 4.

Coconuts play an important part in the economy of the Colony. They supply the bulk of the country's domestic cooking oils, provide an export trade in copra and coconut oil and on them depends the major part of the pig industry which relies on the residue from copra (after oil extraction) for pig feed. In spite of this, and the fact that vegetable oils are likely to be in heavy demand for some time to come, the smallholder shows little interest in extending and replanting cultivation.

The total planted area is estimated to be about 45,600 acres. The principal producing areas are around Kudat in the north, to Tawau on the south-east coast.

DOMESTIC EXPORTS OF COCONUT PRODUCTS

Year	*Coconuts* (*Hundreds*)	*Copra* (*Tons*)	*Coconut Oil* (*Tons*)
1938 ..	7,130	8,950	185
1948 ..	4,387	4,012	900
1949 ..	13,082	19,011	359
1950 ..	10,618	20,193	84
1951 ..	9,590	12,456	20
1952 ..	9,770	12,084	55
1953 ..	8,453	12,677	13

The total value of these exports in 1953 amounted to about $7.3 millions as compared with $5.5 millions in 1951. There is also a re-export trade in Indonesian copra, amounting to 11,509 tons in 1950, 11,123 tons in 1951 and 5,500 tons in 1952.

Coconut oil is produced by a number of primitive hand presses in the villages. Recently, however, this industry has been declining as a result of the greater profitability of exporting copra. The inefficiency of the mills results in an extraction rate of only about 40 per cent as compared with 60 per cent which can be obtained with more modern methods. The residue, poonac, is used for pig feed.

Cocoa.—In a report in 1948 on Potentialities for the Cultivation of Cocoa in Malaya, Sarawak and North Borneo (by E. E. Cheesman, D.Sc., A.R.C.S.), it was recommended that this crop should be planted experimentally on the andesite soils in the Tawau district, and that a survey of the whole peninsula between Darvel Bay and Cowie Harbour should be made to discover the extent of these soils and a comparison made of the crops which offer most promise of a profitable market in future years.

Development of cocoa production has been delayed as a result of precautions which have been necessary in importing seed, and the only areas which have been planted so far have been test plots at the Central Agricultural Station at Tuaran and on private estates. Preliminary results of the experimental plantings have shown a vigorous growth of West African seedings in Borneo conditions.

Manila Hemp.—North Borneo is the only territory in the Colonial territories where Manila hemp has been successfully grown. Before the war, five Japanese estates were operating near Mostyn on the east coast, where the andesite soils and other conditions are suitable for this most exacting crop. Since the war, the estates have been taken over by a company formed by the Colonial Development Corporation, where there was a planted area of 3,778 acres in 1953. Rehabilitation has been delayed by bunchy top disease. Exports before the war averaged about 2,000 tons per annum. Exports since the war have been 584 tons in 1948, 802 tons in 1949, 650 tons in 1950, 50 tons in 1951 and 365 tons in 1952. In 1953 exports reached a post-war record of 1,162 tons. The recurrence of the disease in 1954 has, however, retarded expansion which had been planned.

Tobacco is grown principally on the foothills of Mount Kinabalu and is taken for disposal by the native producers to Kola Belud and Tuaran.

Development is handicapped by lack of modern communications. It should be possible for a local industry to supply the majority of the island's requirements—estimated at about 200 tons per annum.

One estate (owned by subsidiary of Imperial Tobacco Company) produces high grade cigar wrapper leaf; North Borneo is believed to be the only non-dollar producer of wrapper tobacco.

The company operates under certain privileges—e.g., reduced wharf dues, free customs duty for machinery and export duty of one cent per lb. (compared with 3·75 cents per lb. for native-grown tobacco).

Since the war the Imperial Tobacco Company has had under consideration the possibility of extending production of cigar wrapper leaf in conjunction with a Dutch concern.

EXPORTS OF TOBACCO

Year	*Exports* lb.
1938	488,290
1939	314,107
1948	206,579
1949	273,852
1950	254,992
1951	224,293
1952	286,185
1953	142,879

Production figures are not available, but it is believed that output is of the order of 1,000,000 lb. per annum—almost all of which is air-cured. Most of the native-grown tobacco is consumed locally, whereas nearly all the estate grown tobacco is exported. The drop in exports in 1953 was due to damage to the crop caused by flooding of the Segama River.

Jute.—Trial plantings have been made on the west coast, but have not yielded successful results, experiments on the east coast proving much more promising.

There is a small agricultural station at Labuan, established with the principal object of supplying good quality planting materials to the agricultural stations on the mainland. At Tuaran an agricultural station financed by Colonial Development and Welfare funds has been established, and planting material collected from Malaya, West Africa, Macassar, Sarawak and Indonesia.

Livestock

Successful and progressive rehabilitation of livestock has been carried out since the great losses during the war, as the following table shows :—

LIVESTOCK, 1939–50

(Numbers)

	1939	1947	1948	1949	1950
Horses ..	2,000	1,500	1,400	1,500	2,300
Cattle ..	21,000	9,000	9,600	10,800	11,400
Pigs	34,000	30,000	52,000	57,000	62,700
Buffaloes ..	48,000	46 000	47,000	41,000	53,700
Goats ..	8,000	3,000	4,300	4.800	7,400

Since the data was collected for the World Census of Agriculture in 1950, it has not been possible to make a further enumeration, although the indications are that numbers have increased steadily during the past three years, and an estimate at the end of 1953 gave the following figures:

Horses	2,710
Cattle	16,500
Pigs	66,500
Buffaloes	66,000
Goats	17,000

In general, the standard of animal husbandry is low and the normal practice is for the animals to be left to fend for themselves and many of the herds are in a semi-wild condition.

Most important in the economy of the country is the buffalo. It is the main source of meat and the chief beast of burden; it is used to cultivate the rice lands and supplies the manure to fertilise the soil. It is estimated that one buffalo is required to cultivate three acres of padi land.

Cattle rearing is concentrated in Kota Belud and Keningau and there are small Indian-owned dairy herds near the main towns. An increasing demand for beef and the necessity to introduce milk into the diet of the local population creates the need for considerably increased production of both dairy and beef cattle.

Pig breeding is one of the major industries of the Colony. Pork is a main item of diet for the non-Mohammedan community and Singapore provides a substantial export market, its annual requirements being about 250,000 pigs. Main production areas are near coconut plantations as the animals are fed on poonac, the residue after oil has been expressed from copra. There have been considerable improvements in standards of management and feeding recently.

Exports of pigs have been declining during recent years as a result of the shortage of feeding-stuffs and the high price of rubber which attracted labour away from this industry. Restrictions on the export of pigs were enforced after the war, but were lifted in 1952.

EXPORTS OF PIGS

Year	*Number*	*Value ($)*
1948	5,596	390,849
1949	4,345	272,758
1950	[1] 1,898	143,456
1951	290	21,562
1952	—	—
1953	857	79,245

Forestry

About two-thirds of the Colony is covered by forest of one kind or another, although only a small proportion of this is likely to be commercially exploitable in the near future and less than four per cent of it is reserved. Forest products are, however, among the principal economic assets of the territory, timber being already the second most important export. The main accessible timber areas lie on the east and south coasts and along the Kinabatangan, Labuk and Segama Rivers.

AREA IN SQUARE MILES OF FOREST LAND—31ST DECEMBER, 1950

Forest Areas by Forest Districts, Forest Divisions and Colony	*Total area of unit*	*State Forest*				*Private Forest Land (Estimate)*	*Total Forest Land (Estimate)*
		Production reserves	*Protection reserves*	*Unreserved (Estimate)*	*Total State Forest (Estimate)*		
Elopurs	8,336	258·63	2·26	Details not available.	Details not available.	Details not available.	Details not available.
Lahad Datu	4,133	97·17	2·73				
St. Lucia	3,195	220·46	2·92				
Total East Coast Forest Division ..	15,664	576·26	7·91				
Sabah[1]	11,819	70·67	2·34				
Maradu	1,904	70·35	0·81				
Total West Coast Forest Division ..	13,723	141·02	3·15				
Grand Total Colony of North Borneo	29,387	717·28	11·06	18,017	18,745	100	18,845

[1] Includes Island of Labuan.

Details of revenue and expenditure of the Forest Department for the periods 1936–1940 and 1946–1953 are as follows:—

REVENUE AND EXPENDITURE OF FORESTRY DEPARTMENT 1936–40 AND 1946–53

Year	*Revenue ($)*	*Expenditure ($)*	*Surplus ($)*
1936 ..	228,480	44,121	184,359
1937 ..	270,303	51,468	218,835
1938 ..	203,693	54,059	149,634
1939 ..	239,375	64,044	173,331
1940 ..	265,379	64,998	200,381
1941 ..		No details available	
1942–45 ..		Enemy Occupation	
1946 ..	38,422	29,353	9,069
1947 ..	140,681	134,418	6,263
1948 ..	213,982	168,318	45,664
1949 ..	436,893	273,613	163,283
1950 ..	490,960	313,376	177,584
1951 ..	585,917	385,954	199,963
1952 ...	1,033,429	573,928	455,249
1953 ..	1,144,128	685,861	458,267

The main types are:—Belian (" ironwood "), the most valuable Borneo timber, hard and of great durability and strength; Camphor wood, moderately hard and heavy, a good general purpose wood; Selargan Kacha, a soft wood used for furniture; Seraya (Borneo cedar), which is a soft wood; and Keruing, a moderately hard wood.

The timber consists of a large number of varieties which seldom occur in large stands of any one type. This factor increases the costs of extraction and reduces the potential value of the forests. In general, the average yield per acre is 650 cubic feet with a sustained yield of 2 cubic feet per annum. The estimated yield of Dipterocarp, notable for height, heavy stocking and straightness of bole, is, however, in the neighbourhood of 1,000 cubic feet (20 tons) per acre per annum. If substantial areas of this type can be established, the long-term benefits to be derived will be considerable.

The British Borneo Timber Company Limited held until 1952 a monopoly covering 95 per cent of the forests in the Colony and sub-leased to minor timber companies. The company's original licence for 25 years was granted in 1920. The period was subsequently extended by 10 years, the 30th June, 1955 being fixed as the earliest date on which the Colony could terminate the licence, on payment of compensation equivalent to the value of the company's assets and goodwill, the latter to be assessed at three years' net profits of the company. It was agreed after negotiation that the company should relinquish the licence at the end of June, 1952, in return for a new limited concession for 21 years, and on payment of compensation of about £400,000 for premature surrender of rights. Under this arrangement, other timber companies will be able to operate.

The larger timber contractors are undertaking a good deal of mechanisation: logging railways are being widened and made suitable for faster and heavier traffic, while there have also been increased deliveries of tractors, cranes and road-making equipment. In 1953 there were 59 sawmills in operation and others are planned and in the course of construction. Nine of the mills are owned by European operators and have an annual intake of 2·5 million cubic feet of logs; 44 mills are operated by Chinese and have an intake of 1·3 million cubic feet, while there are also 6 native owned mills operating on a small scale.

In order to meet the proposed developments visualised in this industry, the Forestry Department is being reorganised and enlarged ; but there is no doubt that the expenditure involved, together with the cost of compensation referred to above, will be more than offset by the extra revenue from royalties and premiums derived from new traders and, moreover, by the general expansion of timber production and the subsequent economic benefits to the territory.

Exploitation of the forests has so far taken place only in accessible regions which are, usually, within 20 miles of the coast. The logs are floated down the rivers and then taken to Sandakan, where they are classified, trimmed and floated to ocean-going ships for direct loading.

Total production during 1952 amounted to 7,679,414 cubic feet, of which about 45 per cent (3,476,000 cubic feet) were exported, at an f.o.b. value of $8,177,000. The bulk of exports are in log form, lumber comprising only about 9 per cent. In 1953 production was 10,216,308 cubic feet, of which some 55 per cent (5,697,000 cubic feet) was exported to a value of $12,198,000.

The following tables show the quantity and value of timber exports during recent years as well as the direction of such exports in 1951 and 1952.

TIMBER EXPORTS

Year	*Quantity* ('000 cu. ft.)	*Value* ($'000)
1938	4,663	2,177
1939	5,420	2,436
1948	3,458	3,018
1949	3,553	5,444
1950	3,751	6,534
1951	4,427	10,184
1952	3,476	8,177
1953	5,697	12,198

DISTRIBUTION OF TIMBER EXPORTS, 1951–52

Destination	*Volume*		*Value*	
	1951 ('000 cu. ft.)	1952 ('000 cu. ft.)	1951 ($'000)	1952 ($'000)
United Kingdom	1,321	1,008	4,687	3,659
Hong Kong ..	1,209	1,001	2,168	1,488
Japan	514	479	754	788
Australia ..	817	399	1,561	832
South Africa ..	283	367	567	799
Others	283	222	447	611
Total ..	4,427	3,476	10,184	8,177

In 1953 the exports, which totalled 5,697,246 cubic feet, and which were valued at $12·2 million, increased to all the territories specified in the above table. The average price per cubic foot of all the timber exported fell from $2·35 in 1952 to $2·14 in 1953.

Minor forestry products produced and exported include cutch (an extract from mangrove bark), copal, damar, rattans, edible birds' nests, firewood and charcoal.

The most important of these are cutch, damar and firewood. Cutch is a tanning extract manufactured from the bark of the bakau, tengah or lenggadi trees, found in the mangrove swamps, particularly in the east of the country. A factory was established in Sandakan in 1892, and a steady export trade has taken place since, principal markets being the United States of America (taking nearly 84 per cent of exports during 1950 and 75 per cent in 1951), the United Kingdom, French Indo-China and Japan. Production in 1951 was 4,513 tons, 4,060 tons in 1952, and 5,038 tons in 1953.

Most of the firewood is also obtained from the tengah and bakau trees. Production during 1951 was 951,604 pikuls of which nearly 70 per cent was exported to Hong Kong. In 1952, production was 2,436,800 pikuls, and in 1953 2,144,249 pikuls.

Damar, a resin produced mainly by trees of the botanical family Dipterorcarpae, is of excellent grade. Most of that produced is exported to Singapore.

North Borneo is famous for its edible birds' nests, which are highly valued by the Chinese. These nests consist of a gelatinous substance produced from the saliva of a swift which lives in the limestone caves in the Kinabatangan and Lahad Datu areas and in the interior around Pensiangan. The nests are of two types—black, which are exported to Hong Kong for grading and cleaning and subsequent re-exportation to China—and white, which are rarer and more expensive, and are used locally or exported in small quantities to Singapore. Production in 1951 was just over 18 tons, of which about 15 tons, valued at $181,000 was exported. In 1952, production rose to over 20 tons, and exports were valued at more than $200,000.

Exports of certain minor forest products during recent years were as follows :—

EXPORTS OF MINOR FOREST PRODUCTS
(Tons)

Year	*Cutch*	*Damar*	*Firewood*	*Birds' Nests*
1938 ..	2,458	1,684	39,000	19·1
1939 ..	4,066	1,751	65,000	18·2
1948 ..	2,252	885	34,202	13·4
1949 ..	3,815	639	74,757	17·5
1950 ..	4,120	1,936	67,868	22·4
1951 ..	4,577	1,798	58,741	15·0
1952 ..	4,025	752	92,190	21·0
1953 ..	4,941	829	54,700 (est.)	17·0

Fisheries

This industry is of prime importance to the economy of the Colony. Before the war, a Japanese company operated two factories for canning and drying tunny fish—one on the island of Si-Amil, off the east coast and the other on Banggi Island, near Kudat. Both plant and fleet of boats were destroyed during the war.

A Fisheries Department was set up after the war to assist the fishing industry generally, and carry out a wide range of technical enquiries. It was decided on grounds of economy to close down this Department in 1953. Work on fresh fish farming is, however, being carried out by a branch of the Agricultural Department. Rice fields are being stocked with fish, and there are a number of fishponds for breeding the fry.

The fishing vessels are almost all equipped with sails and oars and rarely exceed 50 feet in length. The gear used is primitive and consists almost entirely of simple drift and gill nets and hand lines. Only at Tawau on the East Coast are there any companies operating fleets of junks, and elsewhere the industry is largely carried on by individual fishermen and their families using traditional methods.

Fish forms an important item in the diet of the greater part of the population and, in addition, a valuable trade in dried and salted fish has been established with Hong Kong and Singapore.

EXPORTS OF DRIED, SALTED AND CANNED FISH

Year	*Quantity (Tons)*	*Value ($)*
1938	2,012	507,787
1939	1,864	531,226
1948	863	436,121
1949	821	463,900
1950	790	582,060
1951	833	649,902
1952	706	593,723
1953	717	538,701

The seed pearl industry of Labuk Bay has suffered a serious production decline, as the following figures indicate. Decreased production in recent years appears to be due to diversion of labour to more lucrative employment, such as the rubber industry. The following table shows output up to 1951. No more recent figures are available.

PRODUCTION OF SEED PEARLS

Year	*Recorded Production*	*Average Price (Per oz.)*	*Government Royalty Paid*
	oz.	$	$
1947 ..	4,061	58	20,230
1948 ..	1,438	76	12,568
1949 ..	1,908	92	21,737
1950 ..	472	105	7,246
1951 ..	66	118	1,295

Minerals

No minerals are worked at present on a commercial scale in the Colony, although deposits of coal, oil, limestone and metalliferous ores are known to exist. Up till 1912, coal was exploited on a large scale on Labuan Island, and until 1931 at Silimpopon near Cowie Harbour. The Labuan mines were abandoned as a result of serious flooding, and the Silimpopon mines were closed down because of falling coal prices during the depression which rendered operation unprofitable. The Geological Survey Department, which was established in 1949 under a Colonial Development and Welfare Scheme, is undertaking investigations in these and other areas, and examining the possibility of resuming production.

Other minerals whose existence is known, include substantial deposits of manganese in the Marudu Bay area, which the British Borneo Exploration Company made unsuccessful attempts to mine early in the present century, gold, of which there are signs in the East River area and for which a small amount of panning is carried out, and limestone, which occurs in the Kinabatangan, Segama and Pensiangan areas.

Oil exploration rights are held by the Shell Company, which has carried out extensive investigations and is digging exploration wells in the Klias Peninsula.

Building materials are present in various parts of the country, but they are generally of poor quality. Brick clays occur near Jesselton, Sandakan and Tawau, while sandstone on the west coast and volcanic rock on the east coast provide supplies of roadstone.

There are also deposits of cupriferous pyrites, limonite, hæmatite, arsenopyrite, galena, sphalerite, talc, asbestos and chromite, but none of these have so far attracted any commercial interest.

Manufacturing Industries

There are few industries in North Borneo, apart from those connected with rubber plantations and the export of timber. There are a number of small petrol-driven rice mills scattered throughout the rice-growing areas, and some locally made copra mills for the extraction of oil, motive power being supplied by buffalo.

The Colony had 59 commercially operated saw mills in 1953 and others were under construction. The major ones are operated by North Borneo Timbers Limited and the British Borneo Timber Company. Many of the smaller Chinese-owned mills consist of circular saw-benches powered with various types of petrol-driven motors. Out-turn of sawn timber in 1953 was 2,059,000 cubic feet, of which about one-third was for local consumption. One company manufactures mangrove cutch on the east coast (see above, " Forestry ").

A certain number of constructional materials are manufactured locally, output in 1951 being 278,000 concrete blocks, 116,000 tiles and fittings, 3,000 hollow cement blocks, 1,000,000 cement bricks and 400,000 clay bricks.

Village Industries

There are a number of small native crafts flourishing in the rural areas i.e., basket-making, cloth-weaving, mat-making and iron-work. These are nearly all for local use and are not marketed in the urban areas.

Other Economic Activities

Tourist Industry

There is very little tourist traffic in the country. A modern and well appointed airport hotel was built by the Government at Labuan in 1950, while the Malayan Airways in 1951 erected a first-class hotel in Sandakan.

Government rest houses are maintained in most towns. In the more remote villages of the interior, primitive unfurnished bamboo halting huts are provided for the traveller.

Distributive Trade

The wholesale trade is largely in the hands of the European commercial houses, but a considerable number of the large Chinese shops obtain their requirements direct from Singapore and Hong Kong.

The retail trade in the towns and larger villages is carried on by Chinese shopkeepers. The natives are, however, showing more interest in this trade in the smaller places and most villages have a native shop.

Many items (e.g., produce, tobacco, vegetables, hens and woven mats) are disposed of at traditional native markets, called Tamu, held in most country towns at intervals of about a week or ten days. From the Tamu, the natives buy most of their needs, such as salt, salt-fish and cloth.

A large number of small traders were found by the North Borneo Rubber Commission to be dealing in rubber, and it was believed that the cultivation of rubber was at that time (1949) being neglected in favour of dealing in it. Price changes during subsequent years, as well as Government action taken to reduce the number of dealers, may have had some effect in changing this situation, but poor communications and the scattered nature of the rubber area may cause a larger distributive side of the industry than would be necessary in other conditions.

Professions

Registered Doctors ..	32 (16 in private practice)
Registered Nurses ..	38
Registered Midwives ..	78
Veterinary Officers ..	2
Teachers	827

Co-operative Movements

There were, in 1953, no co-operative societies functioning in North Borneo. Attempts have been made to start the movement, but so far without success. For example, two societies which were founded in 1948 in connection with the fishing industry, failed as a result of also attempting to deal in rubber, at a time when the rubber price was falling.

Employment and Labour Supply

One of the main economic problems facing North Borneo is the shortage of labour. The Colony is on the whole sparsely inhabited and most of the natives are peasant farmers without any desire to enter the labour market. Although more natives have been entering employment during recent years, and these formed 57 per cent of the employed population in the middle of 1953, the shortage persists. This factor is an important cause of the uneconomic working of much of estate agriculture in the territory, as well as a barrier in the way of future development. The North Borneo Government has made approaches to the governments of neighbouring territories in an attempt to recruit additional workers. Since the war, immigrant workers have included 1,500 Cocos Islanders, as well as Chinese and Javenese, but these have been insufficient to meet the demand.

Skilled and semi-skilled workers from Hong Kong and Singapore have also been introduced, especially to assist in the construction work which has been taking place in the towns, and about a thousand of these still remain employed in the Colony.

The following table shows employment in various occupations at the end of June, 1952, analysed by race.

The most important employers of labour are the rubber estates, which account for 38·7 per cent of the employed population, the timber industry, which accounts for 17·0 per cent, and Government, which accounts for 14·8 per cent.

EMPLOYMENT BY RACE, JUNE, 1952

Estates	*No. of Estates*	*Chinese*	*Javanese*	*Natives*	*Others*	*Total*
Rubber	59	1,339	1,260	6,022	83	8 704
Hemp	4	447	134	287	657	1,525
Tobacco	1	243	155	214	401	1,013
Coconuts	5	22	37	44	5	108
Total Estates	69	2,051	1,586	6,567	1,146	11,350
Industry	*No. of Employers*					
Timber	49	1,048	238	2,386	152	3,824
Building Construction	23	1,060	30	223	7	1,320
Bakau, Firewood, Mangrove, etc.	—	205	4	886	16	1,111
Wharves and Godowns	20	365	88	281	45	779
Fishing	4	136	—	122	—	258
Miscellaneous	10	226	19	219	69	533
Total Industry	106	3,040	379	4,117	289	7,825
Government						
Public Works		287	18	1,149	16	1,470
Railways		164	6	478	20	668
Administration		106	18	349	2	475
Medical		66	12	121	2	201
Telecommunications		2	1	131	—	134
Marine		6	4	91	1	102
Survey		—	—	106	—	106
Forests		4	1	95	—	100
Agricultural ...		5	—	51	—	56
Customs		—	1	7	—	8
Fishery		—	—	2	—	2
Total Government		640	61	2,580	41	3,322
Grand Total		5,731	2,026	13,264	1,476	22,497

Total employment by Estates, Industry and Government has risen steadily since the end of the war although the general conditions of labour shortage are making themselves felt, and the rate of growth of the employed population has been checked.

WORKERS EMPLOYED BY EMPLOYERS OF 20 OR MORE WORKERS, 1948–53

Year	*Number*
December, 1948	15,418
December, 1949	18,298
December, 1950	19,312
December, 1951	20,665
June, 1952	22,497
December, 1952	24,312
December, 1953	24,147

As a result of poor communications and the fact that labour markets have been fairly local—i.e., that employers have usually drawn most of their workers from the immediately surrounding neighbourhood—there have in the past been considerable regional differences in wage rates. Recently, however, the mobility of labour has increased, and more uniform wage rates have been established in the different parts of the country, although there are still local variations resulting from differences in the cost of living and variations in output. At the end of 1953, unskilled workers earned up to $3·50 per day, semi-skilled workers from $3·50–$7 per day and skilled workers from $7–$12 per day.

Employment in industrial concerns is usually based on an 8-hour day, 6 days a week, but on estates the general practice is to pay wages once a month with a cash advance in the middle of the month. A certain number of workers are said to have taken advantage of the present labour shortage by asking for advances on engagement and then changing their employment, leaving sums owing.

There is little, if any, external migration as the internal demand for skilled workers is beyond the capacity of local supply.

Trade unionism is still in its infancy in the Colony, and only three unions have been registered with a total membership of about 500 workers. The Commissioner of Immigration and Labour acts as Registrar of Trade Unions and he maintains contact with the Advisory staff in the Federation of Malaya.

Fuel and Power (Including Water Supplies)

Electricity

With fast-running rivers on the west coast and rapids in the head waters of the Kinabatangan River, North Borneo possesses great potentialities for the production of hydro-electric power.

Electric power is supplied in Jesselton and Labuan by the Government. The Sandakan supply is the monopoly of a private company. These installations were badly damaged during the war, but supplies have now been restored to a 24-hour service in the main part of Jesselton, and generating capacity is being expanded.

There are a number of small, privately owned plants in the smaller towns of the country; these are granted leases on a yearly basis, in order that at a later date the supplies may be taken over by a larger concern, with a view to reducing costs.

Total installed capacity of all power stations in 1953 was 1,956 kW., of which 665 kW. was in publicly owned undertakings.

Water

In rural areas, drinking water is obtained from wells, ponds, streams and rivers, and although supplies are ample in quantity, they are liable to contamination.

While demands have so far been met, the supply in the main towns is hardly adequate for the ever-increasing consumer area, together with the requirements of shipping. Jesselton possesses an adequate catchment area on the outskirts of the town, but until 1953, rationing had to be instituted because of insufficient storage, and similar restrictions are current in Sandakan until increased storage becomes available. In Labuan the supply comes from boreholes drilled shortly after the war and is generally adequate in quantity. The supply at Kudat is pumped from wells into a 32,000 gallon reservoir, and in Lahad Datu the supply is pumped from the river into a storage tank. New pumping equipment is being installed in most of these towns. At Tawau, where at present the supply is drawn from a river and distributed by water-cart, plans were made for an entirely new pumped and filtered supply to be installed in 1954–55.

III. FINANCE AND TRADE

Public Finance

Revenue and expenditure figures since the 15th July, 1946, when administration of the Colony was taken over by the Civil Government, are as follows (1938 figures are shown for comparison) :—

NORTH BORNEO REVENUE AND EXPENDITURE 1938, 1946–53
(Including Colonial Development and Welfare)

Year	*Revenue* $	*Expenditure* $	*Surplus* $	*Deficit* $
1938 ..	3,265,738	1,870,299	1,395,439	—
1946* ..	1,833,259	2,550,697	—	717,438
1947 ..	7,171,068	11,919,368	—	4,748,300
1948 ..	8,739,896	11,552,973	—	2,813,077
1949 ..	13,070,608	18,996,046	—	5,925,438
1950 ..	17,717,590	18,174,146	—	456,556
1951 ..	26,180,522	24,439,082	1,741,440	—
1952 ..	26,595,270	34,322,159	—	7,726,889
1953* ..	31,398,256	32,444,458	—	1,046,202
1954† ..	32,893,764	35,699,458	—	2,805,694

* Revised Estimates.
† Estimates.

Deficits have been made up by grants-in-aid from H.M. Government and other grants have been made by H.M. Government in respect of ex gratia war damage compensation payments. In all, these grants have amounted to more than £3,000,000 since 1946. In addition, allocations of Colonial Development and Welfare funds have amounted to about £2½ millions.

At the end of 1948, it was considered that the Colony's financial position and various liabilities were sufficiently clear to allow of an overall financial settlement with H.M. Government. It was agreed that the Colony would make no contribution to the cost of military administration, and that compensation paid to the Chartered Company by H.M. Government in respect of its sovereign rights and assets would be borne finally by United Kingdom funds. Further, assistance which had been given to the Colony in the form of a loan in respect of redemption of the Chartered Company's currency (£302,293 and £200,000 issued in 1947/48), was converted into a free grant. H.M. Government also offered a grant of $5,000,000 and an interest free loan of $6,400,000 towards the Colony's share of the Borneo War Damage Compensation Scheme ($11,400,000).

The main items of revenue are import duties (estimated at $8·5 million in 1954), export duties ($2·6 million), income tax on companies ($2·75 million), royalties, etc. ($1·3 million) and residents' tax ($0·5 million).

It will be seen from the detailed analysis of revenue and expenditure in the tables below that the large deficits in 1952 and 1953 are due to the public works items in the Extraordinary and Special section of the budget. These works include expenditure under the development programme, only a part of which is to be met out of ordinary revenue and from Colonial Development and Welfare Funds. Other revenue sources from which this expenditure will be in part met include loans and contributions from Mutual Security Agency Funds. With the ending of the period of reconstruction which is now in sight it is expected that expenditure on capital works will be reduced and that this will eventually enable the Colony to dispense with grants from the U.K. and build up its reserves.

NORTH BORNEO—ANALYSIS OF REVENUE—1938, 1950–53

Head of Revenue	1938		1950		1951		1952		1953*	
	$'000	%	$'000	%	$'000	%	$'000	%	$'000	%
Ordinary :										
Customs Duties	1,784	54·6	11,219	63·3	16,418	62·7	12,058	45·3	11,620	37·0
Forests and Lands	546	16·7	1,115	6·3	1,163	4·4	1,686	6·3	1,763	5·6
Licences and Internal Revenue	38	1·2	1,315	7·4	3,768	14·4	4,799	18·0	5,642	18·0
Fees, Payments, etc.	119	3·7	316	1·8	581	2·2	578	2·2	363	1·2
Municipal	117	3·6	380	2·1	387	1·5	400	1·5	421	1·3
Harbour and Light Dues	54	1·6	429	2·4	260	0·9	307	1·2	318	1·1
Posts and Telecommunication	117	3·6	886	5·0	675	2·8	779	2·9	831	2·6
Light, Water and Power	—	—	265	1·5	290	1·1	360	1·4	380	1·2
Rents..	85	2·6	98	0·6	132	0·5	190	0·7	137	0·4
Interest	12	0·4	79	0·4	155	0·6	314	1·2	242	0·8
Miscellaneous	15	0·5	321	1·8	394	1·5	1,332	5·0	1·019	3·2
Railways	—	—	279	1·6	253	0·9	—	—	—	—
Taxes..	46	1·4	—	—	—	—	—	—	—	—
Poll Tax	64	1·9	(Transferred to other heads)				—	—	—	—
Total Ordinary Revenue ..	2,998	91·8	16,702	94·2	24,481	93·5	22,804	85·8	22,736	72·4
Extraordinary :										
Railways	225	6·9	—	—	—	—	—	—	—	—
Land Sales	12	0·4	27	0·2	494	1·9	593	2·2	289	0·9
Forests	5	0·1	—	—	—	—	—	—	—	—
Royalties	12	0·4	—	—	—	—	—	—	—	—
Other	14	0·4	—	—	—	—	—	—	4,080	13·0
Colonial Development and Welfare Grants	—	—	989	5·6	1,205	4·6	3,198	12·0	4,293	13·7
Total Extraordinary Revenue ..	268	8·2	1,016	5·8	1,699	6·5	3,791	14·2	8,663	27·6
Total Revenue	3,266	100·0	17,718	100·0	26,180	100·0	26,595	100·0	31,398	100·0

* Revised Estimates.

NORTH BORNEO—ANALYSIS OF EXPENDITURE—1938, 1950–53

Head of Expenditure	1938		1950		1951		1952		1953*	
	$'000	%	$'000	%	$'000	%	$'000	%	$'000	%
Ordinary:										
Pensions and Gratuities	33	1·7	335	1·8	449	1·8	588	1·7	585	1·8
Law and Order	247	13·2	1,173	6·5	1,333	5·5	2,125	6·2	2,147	6·6
Civil Administration	310	16·6	1,407	7·8	1,597	6·5	2,503	7·3	3,089	9·6
Provincial Administration	250	13·4	1,000	5·5	988	4·0	1,488	4·3	1,727	5·3
Miscellaneous Services	54	3·0	2,033	11·1	2,839	11·6	453	1·3	396	1·2
Survey and Land	104	5·6	216	1·2	272	1·1	473	1·4	543	1·7
Forests	54	2·9	267	1·5	294	1·2	567	1·7	681	2·1
Agriculture	32	1·7	129	0·7	140	0·6	235	0·7	284	0·9
Public Works	208	11·1	1,042	5·6	1,277	5·2	3,337	9·8	2,527	7·8
Railways	—	—	15	0·1	—(*a*)	—	332	1·0	202	0·6
Posts and Telecommunications	119	6·3	624	3·4	673	2·8	788	2·3	1,311	4·0
Immigration and Labour	26	1·4	40	0·2	41	0·1	92	0·2	111	0·3
Education	33	1·7	234	1·3	267	1·1	506	1·5	645	2·0
Medical	228	12·2	924	5·1	1,090	4·5	1,572	4·6	2,045	6·3
Total Ordinary Expenditure ..	1,698	90·8	9,439	51·8	11,260	46·0	15,059	44·1	16·293	50·2
Extraordinary:										
Railways	172	9·2	1,332	7·5	1,888	7·7	1,065	2·9	378	1·2
Public Works	—	—	3,033	17·1	5,048	20·7	9,516	27·7	9,912	30·6
Colonial Development and Welfare ..	—	—	989	5·6	1,270	5·2	3,320	9·7	4,121	12·7
War Damage Claims	—	—	2,179	12·2	4,568	18·7	1,598	4·7	500	1·5
Other Capital Expenditure	—	—	1,202	6·8	405	1·7	3,764	11·0	1,240	3·8
Total Extraordinary Expenditure	172	9·2	8,735	49·1	13,179	54·0	19,263	55·9	16,151	49·8
Total Expenditure	1,870	100·0	18,174	100·0	24,439	100·0	34,322	100·0	32,444	100·0

* Revised Estimates.

(*a*) Net Surplus Earned.

At the beginning of 1949, new taxation measures were introduced. The chief of these was the collection of Company Tax under the Income Tax Ordinance (No. 1 of 1949). Provision is also made for Double Income Tax exemption arrangements. The rate of Company Tax when first introduced was 20 per cent. This was raised to 30 per cent at the beginning of 1951.

A Residents Tax was also enacted to take effect from 1st July, 1951, at the following rates:—

On Incomes of				*Tax Payable*
	$		$	
	3,000 and under			Exempt
Exceeding	3,000	but not	5,000 ..	1%
„	5,000	„	15,000 ..	2
„	15,000	„	30,000 ..	3
„	30,000	„	50,000 ..	5
„	50,000	„	75,000 ..	7½
„	75,000	„	100,000 ..	10
„	100,000			12½

The Poll Tax Ordinance provides for the annual payment of $1.50 by each able-bodied adult male native, but generally persons who pay a total annual sum of $3 or more by way of land rent and boat registration fees are exempted from the payment of Poll Tax.

Estate duty is levied on all estates valued at over $3,000. The rate of duty begins at 1 per cent on estates of from $3,000 to $5,000 and rises to a maximum of 20 per cent on estates valued at more than $10,000,000.

Other revenue is derived from stamp duties and traders' licences.

In order to encourage rubber growing, the Chartered Company undertook to forgo export duty on rubber from any new estates for a 50-year period from 1905. The concession does not apply to rubber planted since 1924, and the agreement is due to expire in 1955.

The following is a statement of the Colony's liabilities and assets as at 31st December, 1953.

NORTH BORNEO: LIABILITIES AND ASSETS, 1953

Liabilities

	$'000	$'000
Drafts and Remittances		7
Deposits		1,056
Special Funds:		
Custodian of Property	6,021*	
Rubber Fund Board	210	
Deposits from Bank of North Borneo	144	
North Borneo Widows' Pension Fund	332	
Scholarship and Education Funds..	19	
Pauper Fund	16	
Colonial Development and Welfare Grants	511	
Loans in Aid	1,397	
		8,652
Other Governments and Administrations ..		130
General Revenue Balance at 30th June, 1952..		4,236
		14,081

Assets

	$'000
Cash	3,366
Special Funds Investments	506
Surplus Funds Investments	8,187
Advances	2,021
	14,081

* Including Administrator of Japanese Property.

Currency and Banking

The currency in circulation consists mainly of Malayan currency, with a small quantity of British North Borneo Chartered Company notes and coin used before and during the Japanese occupation, and which is no longer legal tender. When handed into banks or treasuries, however, these notes and coin are redeemed at their face value for Malayan currency.

A Currency Commission has been established (Ordinance No. 10 of 1951), by the Governments of the Federation of Malaya, the Colonies of Singapore, Sarawak, North Borneo and the State of Brunei, to provide for and control, the supply of currency to all the territories. For further details, see page 159.

The buying and selling rates of the Malayan dollar fluctuate slightly in accordance with the Singapore market. For purposes of converting Malayan currency to sterling, the value of the dollar is taken as 2s. 4d.

Two banks operate in the Colony, the Chartered Bank of India, Australia and China, and the Hong Kong and Shanghai Banking Corporation. Both have branches at Jesselton and Sandakan, while the Hong Kong Bank also has a branch at Tawau. Agency facilities are provided at Labuan by both banks and the Chartered Bank has an agency at Kudat.

Bank charges on loans and overdrafts average from 4–10 per cent, according to the security held. Trustee business is conducted by the Singapore and Hong Kong offices of the local banks.

It is estimated that currency valued at more than $30 million is now in circulation, but accurate details are not available owing to unrestricted movements between the Colony and other territories using Malayan currency.

Private Investment

Several large companies with headquarters in the United Kingdom operate in the Colony. They are principally engaged in the rubber and timber trades.

No statistics are available to indicate the amount of capital issued or that invested in the Colony. Details of the number of companies registered in and out of the Colony in recent years are shown below.

COMPANIES REGISTERED 1947–51

	1947	1948	1949	1950	1951
Incorporated outside the Colony	4	3	6	5	15
Incorporated inside the Colony	—	3	5	5	2
Companies dissolved . .			Nil		

(Pre-war figures are not available as the register of companies was destroyed.)

No estimates are available of the total value of investment or its annual rate. Expenditure on rubber replanting has been restricted by labour shortages.

Balance of Trade

IMPORTS AND EXPORTS, 1935–53

Year	*Imports* (*$m.*)	*Exports* (*$m.*)	*Balance of Trade* (*$m.*)
1935 . .	5·1	8·2	+ 3·1
1936 . .	5·3	9·5	+ 4·2
1937 . .	6·8	14·8	+ 8·0
1938 . .	6·4	9·8	+ 3·4
1939 . .	6·5	13·5	+ 7·0
1940 . .	10·0	20·3	+10·3
1941–46 . .		Not available	
1947 . .	20·5	17·0	— 3·5
1948 . .	25·4	30·0	+ 4·6
1949 . .	34·0	37·7	+ 3·7
1950 . .	46·0	92·0	+46·0
1951 . .	70·2	113·7	+43·5
1952 . .	70·3	64·7	— 5·6
1953 . .	70·0	60·2	— 9·8

As the above table shows, North Borneo has experienced an almost continuously positive balance of trade, which reflects mainly interest and dividend payments overseas. This positive balance rose sharply during 1950 and 1951 as a result of the high price of rubber ruling during those years, but fell again in 1952 and 1953. The reasons for the drop were, mainly, a fall in the value and volume of rubber exports and, in 1953 especially, a decline in exports of firewood and tobacco. Until recently the Colony's balance of trade has been almost entirely determined by the course of rubber prices, but the development of the timber trade has added some measure of diversity and may act as a stabilising influence.

There is no accurate information concerning the direction of North Borneo's trade since the greater part of it goes through the entrepôt markets of Singapore and Hong Kong, its final destination or origin being unknown. It was, however, estimated that in 1952, about a third of the Colony's imports came from the United Kingdom, and about one-quarter from the countries of south-east Asia. No other supplier is believed to account for as much as 10 per cent of imports.

Between one-half and two-thirds of North Borneo's rubber exports go to Singapore for trans-shipment, and its final destination is not recorded. Of the remainder, the greater part goes to the United Kingdom and some goes to Hong Kong, France, Germany and other European countries. A large proportion of copra exports also goes through Singapore, Holland, Germany and the United Kingdom being important customers for the remaining part. The United Kingdom, Hong Kong, Japan and Australia are the most important markets for North Borneo timber, while the United Kingdom and Holland are the main importers of tobacco. All firewood exports go to Hong Kong, most cutch exports to the United States and the greater part of Manila hemp exports to the United Kingdom.

Control over the import and export trade of the Colony is maintained by a system of licensing but goods from Sterling Area and O.E.E.C. countries are on Open General Licence. There are restrictions on goods from Japan and the American dollar countries and the export of scarce and strategic goods is prohibited except under licence.

Standard and Cost of Living

There are no accurate indices of the cost of living, and the existence of varied standards and habits of life corresponding to the racial divisions of the population make the undertaking difficult. Such estimates as have been made, however, show that in the post-war period the cost of living rose steadily until about the end of 1951, after which a slight decline occurred.

The following table shows the average monthly expenditure on food, clothing and other items by the three main racial groups from 1949 to 1952:—

WORKERS' MONTHLY BUDGETS

Race Group	*Average Total Monthly Expenditure*			
	1950	1951	1952	1953
	$	$	$	$
Chinese . .	46·95	54·38	53·48	53·98
Indonesian . .	37·58	43·29	41·45	42·41
Natives . .	35·20	49·57	47·71	46·01

In every case the cost of food in the above totals continued to rise until 1953, the slight drop in 1952 being principally due to a fall in the price of clothing and textiles. During 1953 the price of foodstuffs fell slightly although the advantages tended to be offset by increased prices of clothing, bedding and other items.

PRINCIPAL IMPORTS, 1938, 1949–53

Article	*Unit*	1938		1949		1950		1951		1952		1953	
		Quantity	*Value*	*Quantity*	*Value*	*Quantity*	*Value*	*Quantity*	*Value*	*Quantity*	*Value*	*Quantity*	*Value*
			$		$		$		$		$		$
Rice and padi	Tons	17,476	1 214,131	12,495	6,017,990	8,362	3,179,130	15,605	7,381,508	14,129	8,106,899	10,416	5,902,437
Provisions	Tons	3,412	701,738	3,762	3,021,100	9,354	5,046,155	13,094	10,621,545	11,105	9 363 597	13,466	10,002,959
Textiles and apparel	—	—	626,990	—	3,439,522	—	6,012,521	—	10,228,392	—	5,461,219	—	4,481,786
Ironware and metalware	Tons	1,651	430,349	935	1,414,764	1,127	1,892,304	5,405	4,633,501	6,034	5,287,658	5,249	4,483,126
Tobacco, cigars and cigarettes ..	Tons	111	455,003	199	1,998,464	249	2,596,727	322	3,807,302	314	4,501,536	291	3,987,636
Sundries	—	—	352,775	—	2,018,812	—	3,025,169	—	3,955,623	—	3,831,998	—	4,533,775
Sugar	Tons	2,754	205,316	4,614	2,387,989	5,637	2,724,680	6,675	3,733,859	5,654	2,938,149	4,848	2,131,265
Kerosene oil	Gals.	39,985	166,549	599,793*	575,089	732,995*	741,770	897,128	903,524	834,421	1,116,136	874,356	1,110,677
Medicines	—	—	159,854	—	411,563	—	535,819	—	776,672	—	350,593	—	589,128
Petrol		216,910 gals.	150,097	3,437 tons	954,829	3,732 tons	1,174,473	4,633 tons	1,406,083	7,136 tons	2 824,066	6,577	2,501,663
Flour	Tons	1,539	125,104	3,085(*a*)	1,336,339	2,482	969,378	(incl. under	Provisions)	(incl. under	Provisions)	—	—
Stationery	—	—	99,040	—	250,580	—	267,798	—	343,484	—	392,765	—	244,159
Spirits and wines	gals.	60,031	88,104	137,743	1,630,043	233,289	1,633,441	472,984	3,283,758	313,221	2,359,621	313,496	2,226,083
Machinery	—		152,488	—	1,465,439	—	3,287,484	—	3,907,469	—	5,793,224	—	8,431,755

(*a*) Includes cereals, wheat, flour, barley.

PRINCIPAL EXPORTS, 1938, 1949–53

Article	*Unit*	1938		1949		1950		1951		1952		1953	
		Quantity	*Value*	*Quantity*	*Value*	*Quantity*	*Value*	*Quantity*	*Value*	*Quantity*	*Value*	*Quantity*	*Value*
			$		$		$		$		$		$
Rubber	Tons	9,511	4,737,701	19,516	15,940,618	23,896	59,862,548	21,698	86,193,628	19,094	39,099,270	16,847	23,378,316
Timber	cu. ft.	4,662,615	2,177,178	3,552,697	5,443,951	3,750,506	6,533,753	4,064,622	10,184,445	3,144,902	8,282,407	5,172,257	12,313,606
Fish, dried, salted and pickled ..	Tons	2,006	507,787	821	463,900	790	582,060	833	649,902	706	593,723	717	539,701
Cutch	Tons	2,458	271,374	3,815	1,144,377	4,120	1,235,955	4,577	1,372.455	4,025	1,798,719	4,948	2,357,621
Copra	Tons	8,951	406,834	19,010	7,558,404	31,704[1]	17,197,703	23,579[2]	15,750,070	17,568[3]	7,495,883	12,677	7,219,097
Firewood	Tons	13,001	164,399	74,757	1,497,816	67,868	1,574,249	58,741	2,440,593	95,611	3,110,107	53,807	1,049,391
Tobacco	lbs.	205	471,376	122	2,065,853	114	1,740,269	100	1,673,651	128	2,133,443	142,879	645,498
Damar	Tons	1,683	74,051	639	146,530	1,419	233,758	1,798	316,546	752	169,369	829	277,548
Coconuts—fresh	Nos.	712,992	14,493	138,200	109,153	1,061,700	88,129	959,000	103,409	977,000	119,094	845,300	92,931

[1] Includes re-exports 20,922 tons.
[2] ,, ,, 11,123 tons.
[3] ,, ,, 5,484 tons.

IV. DEVELOPMENT

Government Activities

The first North Borneo Reconstruction and Development Plan covering the period 1948–55 was revised and extended to 1957 for the purposes of the Colombo Plan. Due to the greatly increased cost of materials and labour and the necessity for the addition of two new items, the Plan was again revised in 1952, and total expenditure is now estimated at £8,653,044, instead of the £5,169,254 envisaged in 1950.

Principal increases affect communications—particularly construction of wharves, roads, improved surfaces of aerodromes and the opening of a number of minor airfields to provide for an internal feeder air service; water supplies (for Tawau, Tamparuli, Tuaran and Jesselton); education, erection of Government buildings, town planning, etc. The additional items are for (*a*) water-borne sanitation in the three main urban areas of Jesselton, Sandakan and Labuan, where present sanitary arrangements are primitive, and (*b*) electricity supplies in Jesselton and Labuan, which it had been hoped would have been handled by private enterprise, but which it will now be necessary for the Government to undertake.

The following is a comparison between the 1950 and 1952 programmes :—

	1950 £	1952 £
Communications	1,685,108	2,732,798
Agriculture	989,893	1,346,680
Water Supplies	43,000	755,366
Education	311,100	402,550
Housing, Town Planning, etc.	706,390	768,228
Government Buildings	1,148,104	1,696,313
Reclamation of Jesselton, Sandakan, Kudat and Tawau	100,000	150,000
Medical	85,950	100,250
Census, Statistical Bureau	30,000	30,000
Fire Services	15,150	16,300
Miscellaneous	31,274	31,274
Total	£5,169,254	£8,653,044

It is proposed to meet the cost of the plan by a grant of £2,500,000 from Colonial Development and Welfare funds, raising a loan of £800,000, £2,300,000 from the Colony's estimated surpluses over the period 1953–57, £300,000 from Japanese assets which accrued within the Colony, and £340,000 provided by the Economic Co-operation Administration (for the cost of harbours at Jesselton, Sandakan and Labuan). There will still be a balance of £2,413,044 to be found from other sources.

Actual expenditure on the Development Plan in 1952 amounted to about £1·7 million, and £1·46 million ($12·5 million) in 1953. In 1954, expenditure was expected to rise to £2·0 million with special emphasis being placed on the road and irrigation programmes.

Considerable difficulty is being experienced in carrying out the plan to schedule owing to the serious lack of skilled and unskilled labour and the shortage of building materials. Work has, however, progressed in some directions and improvements have been made to the airfields of Jesselton, Labuan and Sandakan; ancillary buildings including an up-to-date airport hotel at Labuan have been completed.

Roads are being remetalled and construction of the new road in Papar has started.

Plans have been drawn up for the construction of new wharves at Jesselton, Labuan and Sandakan. Work has started on the reconstruction of the wharf at Labuan, which was to be completed in 1954, and tenders for the work at Sandakan have been called for.

The Drainage and Irrigation Department have completed surveys of rice-growing areas in the Papar district, but work is hampered by lack of trained personnel. This project, when finished, should make an additional 1,700 tons of rice available per annum.

Other drainage and irrigation works are being carried out in the Tuaran district and in the Klias Peninsula. This latter scheme, when completed is expected to make some 20,000 acres of land available for cultivation.

Minor irrigation work has also been carried out in the Kota Belud district, and the area also shows an increase in the acreage under wet padi.

An Agricultural Experimental Station has been established at Tuaran, while at Bandau, experiments in mechanised rice cultivation under the joint operation of Government and the Colonial Development Corporation have not proved a success and have now been abandoned.

In the educational field the Teachers' Training College at Tuaran has been completed, and there will now be accommodation for 96 students instead of 20; further schemes are being considered for trade schools to be established in the main urban areas of Jesselton and Sandakan.

Other schemes which have been completed or are in an advanced stage, include the new hospital at Sandakan, and a number of new shops, godowns and dwelling houses in Jesselton.

A new development programme for the period 1955–60 is in the course of preparation, and it is estimated that it will cost about £6·5 million. Road building and education are the activities on which most of the expenditure will be incurred, but attention is also being paid to the extension of agricultural and veterinary services.

Non-Government Development

A manufacturing firm in Hong Kong has opened a branch in Sandakan where it is proposed to break up ships and to erect a rolling mill for the production of mild steel bars and other miscellaneous steel work. A slipway will also be constructed. In Jesselton a small engineering works has been established.

In spite of these enterprises, however, the largest recent example of private development has taken place in the timber industry where the Bombay Burmah Trading Company are operating a large forest concession near Tawau which will involve the construction of sawmills, jetties and other buildings and equipment on Sebatik Island.

An American company, the Kennedy Bay Timber Company, has also taken up a forest concession and plans to employ modern mechanical methods of haulage and processing.

Future development in the private sector and especially in the rebuilding of the major towns will depend very much on the prices obtaining for primary produce, especially rubber. In 1953 the cost of building a two-storey shop house was as much as £4,500. During 1954 it was planned to build some 60 of these in Jesselton (55 having already been provided), at a cost of about £270,000. If funds are available, similar schemes are likely to be undertaken in Sandakan and Tawau.

V. MISCELLANEOUS

Weights and Measures

Both English and local weights and measures are in general use in North Borneo. The principal local weights and measures with their English equivalents are given in Appendix 3 on page 159.

SARAWAK

I. GENERAL BACKGROUND

Geographical and Climatic Features

The Colony of Sarawak consists of a coastal strip some 450 miles long, varying from 40 to 120 miles in depth, on the north-west coast of the island of Borneo, and has an area of some 47,000 square miles. It lies between latitude 0° 50′ and 5° north and longitude 109° 36′, and 115° 40′ east.

The Colony is divided into five divisions, which run from the south-west to the north-east. The main towns in each of the five divisions are Kuching the capital, Simanggang, Sibu, Miri, and Limbang. The third division is the largest and most populous, but the greatest density of population is to be found in the first division. The following figures show the area of each of the divisions and the table on page 131 gives the populations and relative densities.

	Square Miles
First division	3,448
Second division	4,028
Third division	22,838
Fourth division	13,629
Fifth division	3,128
	47,071

A broken range of mountains runs south-west through the middle of Borneo This range, with others parallel and at right angles to it, determines the course of many rivers. Sarawak lies between this range and the sea, on its north-west side. The southern border, with Indonesian Borneo, is formed by another range of mountains running westerly from about the centre of the main range.

In general, the country is divided into three main types; first, an alluvial and swampy coastal plain in which isolated mountains and mountain groups rise to 2,000 feet or more, then rolling country of yellow sandy clay intersected by ranges of mountains, and finally a mountainous area in the interior. The coast is generally flat and low-lying with heavy vegetation and flat sandy or mud beaches.

The greater part of the territory is still covered by dense jungle, some of which remains to be explored, particularly in the interior where a succession of steep broken hills culminate in peaks between 6,000 and 8,000 feet high.

The whole country is intersected by numerous rivers, which afford the easiest and cheapest forms of transport. The principal of these are the Rejang (navigable for 170 miles), the Baram (navigable for 100 miles), the Batang Lupar and the Limbang. The presence of bars at the mouths of all these rivers cause large vessels to experience difficulty in entering.

The only body of water large enough to be called a lake is Loagan Bunut, in the fourth division, and it covers 2,304 acres. In periods of drought, this may shrink to just a few channels of water.

There are six small islands off the coast :—

Name	*Area*
Talang Talang Besar	92 acres
Talang Talang Kechil	29 ,,
Sampadi	83 ,,
Satang Besar	250 ,,
Satang Kechil	25 ,,
Lakei	110 ,,

Kuching, the capital of Sarawak, stands on the Sarawak river, 18 miles from the sea, and has a population of over 38,000.

The climate is warm and humid, day temperatures averaging 85° F.

The heaviest rains usually occur between October and March, the season of the north-east monsoon, when winds are strong and seas rough. Except for a transitional month at each end, the remainder of the year has less rainfall with occasional droughts lasting up to three weeks.

Annual rainfall varies from 100 inches near the coast away from the mountains, to over 200 inches inland in the neighbourhood of mountains.

Sunshine records, recently started in the south-west of the country, suggest that on the average there are only about 5 hours of bright sunshine per day.

Prevailing winds are from the north and north-east in the October-March season, while there is generally a swell from the north-east and from the south-west for the remainder of the year. The worst storms have usually occurred in December and March.

Population

The total population as disclosed by the 1947 census was 546,385. In December, 1953, it was estimated that this figure had increased to 598,484.

The main indigenous cultural groups in Sarawak may be classified as Sea Dayak (or Iban), Malay, Melanau, Land Dayak, and a last group of other and indeterminate tribes comprising Kayans, Kenyahs, Bisayas, Kedayans, Kelabits, Muruts, and many others. The non-indigenous races include Europeans, Chinese, Indian and Javanese.

The indigenes of Sarawak form 72.4 per cent of the population. The Sea Dayak group is the most homogeneous of the indigenous people. The Land Dayaks are mainly to be found in the first division. The legendary home of these people is believed by many of them to be " Gunong Sungkong " in West Borneo, and this kinship leads to some movement across the border.

The Malays are of mixed stock. They are bound by the common tie of Mohammedanism and have been powerful along the coast for centuries.

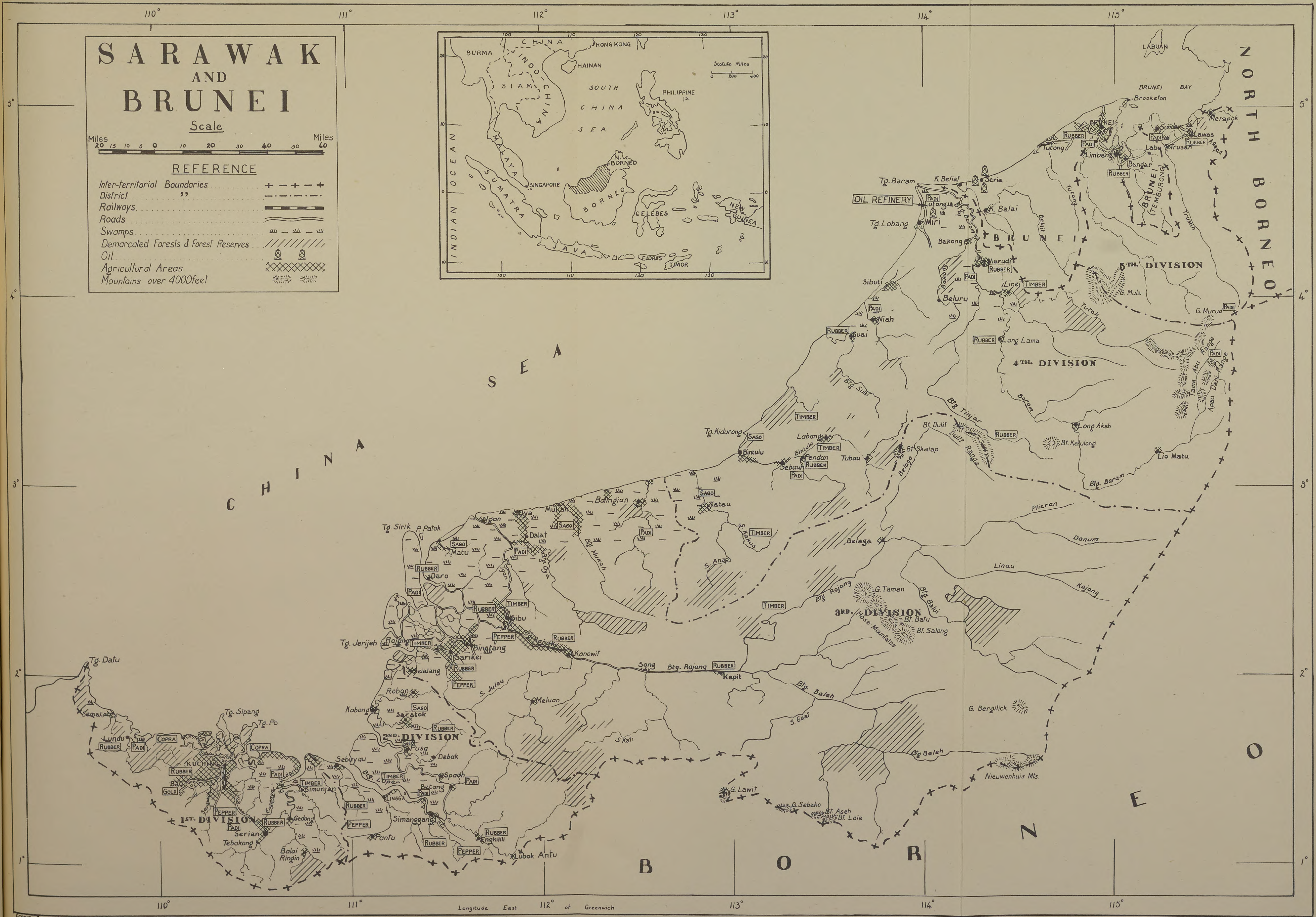
Numerically, the Chinese are the second most important group of people ; economically they take first place and culturally their influence is second only to European. There is substantial evidence that Chinese have lived in parts of Sarawak for many hundreds of years.

The Melanaus are found in the coastal areas of the third and fourth divisions and are the principal cultivators of sago.

The Kayans and Kenyahs live on the Baram River and the headwaters of the Rejang and the Balui Rivers. They are thought to have come from the Batang Kayan across the Indonesian border. Other indigenous races are the Murats, Bisayas, Kelabits, nomadic Punans, Kedayans and Dusuns from North Borneo.

The following table shows the comparative numerical importance of each cultural group as determined by the 1947 census :—

Cultural Group	*Population in 1947*	*Percentage of Total Population*
		%
European	691	0·1
Malay	97,469	17·9
Melanau	35,560	6·5
Sea Dayak	190,326	34·8
Land Dayak	42,195	7·7
Other indigenous	29,867	5·5
Chinese	145,158	26·6
Other non-indigenous Asiatic ..	5,119	0·9
Total	546,385	100·0



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For the purposes of the Census, the Administrative Districts were accepted as the Census Districts with the exception of the larger towns of Kuching, Sibu and Miri, which were treated as separate districts. The relative importance in population and area of the five divisions of Sarawak is shown in the following table :—

Census District of	*Area in Sq. Miles*	*Population*	*Percentage of Total Population*	*Density Per Sq. Mile*
Lundu	722	9,159		
Bau	335	18,717		
Serian	1,473	47,844		
Kuching Rural	913	58,573		
Kuching Municipal	5	37,954		
First Division	3,448	172,247	31·5	50
Simanggang	1,736	31,537		
Lubok Antu	910	15,264		
Saribas	720	24,607		
Kalaka	662	21,262		
Second Division	4,028	92,670	16·9	23
Lower Rajang	1,835	52,450		
Sibu Rural	1,279	40,102		
Sibu Municipal	2	9,983		
Kanowit	1,592	26,564		
Kapit	15,177	32,258		
Oya-Dalat	1,020	13,053		
Mukah	1,933	21,574		
Third Division	22,838	195,984	35·9	9
Bintulu	4,573	21,221		
Miri Rural	1,979	11,099		
Miri Municipal	2	10,949		
Baram	7,075	20,336		
Fourth Division	13,629	63,605	11·7	5
Limbang	2,129	12,062		
Lawas	999	9,817		
Fifth Division	3,128	21,879	4·0	7
Total Sarawak	47,071	546,385	100·0	12

The distribution of the cultural groups among the five divisions is as follows :—

Cultural Group	*Administrative Divisions*				
	First	*Second*	*Third*	*Fourth*	*Fifth*
European	354	19	83	216	19
Malay	50,238	21,038	8,415	7,518	10,260
Melanau	97	291	30,398	4,758	16
Sea Dayak	13,671	63,157	92,286	19,570	1,642
Land Dayak..	42,075	15	65	37	3
Other indigenous	71	6	5,466	16,531	7,793
Chinese	63,121	8,095	58,899	14,203	1,840
Other non-indigenous Asiatic	3,620	49	372	772	306
Total	172,247	92,670	195,984	63,605	21,879

AGE GROUPS AND THEIR PERCENTAGE OF TOTAL POPULATION

Cultural Group	0–14 *Yrs.*		15–39 *Yrs.*		40 *Yrs. and Over*	
	Persons	%	*Persons*	%	*Persons*	%
European	198	28·6	348	50·1	145	21·3
Malay	39,756	40·8	38,727	39·7	18,986	19·5
Melanau	13,034	36·6	14,461	40·7	8,065	22·7
Sea Dayak	68,367	35·9	75,816	39·8	46,143	24·3
Land Dayak	18,069	42·8	17,003	40·3	7,123	19·9
Other indigenous	10,366	34·7	12,371	41·4	7,130	23·9
Chinese	64,365	44·3	52,252	36·0	28,541	19·7
Other non-indigenous Asiatic ..	1,905	37·2	1,985	38·8	1,229	24·0
Total	216,060	39·5	212,963	39·0	117,362	21·5

LITERACY

Cultural Group	Literate	Illiterate	
	Numbers	Numbers	%
Malay	12,510	70,662	85
Melanau	2,594	28,983	91
Sea Dayak	3,625	161,574	98
Land Dayak	2,480	33,095	93
Other indigenous ..	569	24,124	98
Chinese	42,280	81,115	66
Indigenous Asiatic ..	1,284	3,152	72
Total	65,306	402,705	86

Total literate in English in 1947 were 9,244.

Facilities for registration are still incomplete, but the figures which are available give some indication of the rate of natural increase:—

SARAWAK: BIRTHS AND DEATHS, 1947, 1950–53

	1947	1950	1951	1952	1953
Births	7,392	12,477	14,035	15,902	15,826
Deaths	3,369	6,316	5,175	5,740	5,300
Excess of Births over Deaths ..	4,023	6,161	8,860	10,162	10,526

The birth-rate in 1953 was estimated to be 26·7 per thousand of the population, while the crude death-rate was put at 9·87. In view of the unreliability of some of the figures it is difficult to draw any firm conclusions about the rate of natural increase of the population although there are fairly clear signs of a rising birth-rate among most of the indigenous groups, except the Sea Dayaks, and of some decline in the death-rate. There has been a slight drop in infant mortality in the past few years, the rate for all groups in 1953 being 93 per thousand live births, although the range is wide as between the European community (22 per thousand) and the Malays (135 per thousand).

Migration to and from Sarawak during 1948, 1949, 1950, 1951 and 1952 was as follows :—

IMMIGRATION AND EMIGRATION, 1948–52

Race	Immigrants					Emigrants				
	1948	1949	1950	1951	1952	1948	1949	1950	1951	1952
European	518	999	1,121	1,146	1,649	482	813	1,011	1,086	1,512
Chinese	6,342	4,009	3,913	4,831	5,069	4,189	3,466	3,382	3,725	4,702
Malay	393	328	462	558	687	266	343	396	555	685
Melanau	13	5	1	1	69	7	—	1	31	73
Sea Dayak	263	404	494	487	314	434	379	694	713	594
Dusan and other indigenous ..	7	7	13	20	25	8	4	210	48	24
Other Asian	294	464	398	417	590	333	506	472	402	497
Totals	7,830	6,216	3,402	7,460	8,403	5,719	5,511	6,166	6,560	8,087

In 1953 there were 9,032 immigrants and 9,105 emigrants, all the major racial groups showing an increase over the 1952 figures.

There is a constant interchange of labour between the oilfields at Miri and Seria (in Brunei) but no statistics are available. Elsewhere the movement of labour is negligible.

Little is known about the trends of the population, since the 1947 census was the first which had been taken in Sarawak (although there had been an enumeration in 1939), and vital statistics are still far from complete. It is, however, believed that the most numerous native race, the Sea Dayaks, have been increasing in numbers, as have also the Land Dayaks and the Malays. Other native races, including the Kayans and the Kenyahs, have been declining in numbers, although there is little information to show the extent of the decline. The most rapid increase has been among the Chinese, whose numbers have been growing both as a result of immigration and of high birth rates. Since the 1947 census the population is estimated to have risen by about 9·5 per cent up to the end of 1953.

The estimated population at 31st December 1953 was 598,484, made up as follows:—

Sea Dayaks	194,452
Chinese	173,110
Malays and Melanans ..	146,182
Land Dayaks	45,870
Other indigenous ..	31,071
Other non-indigenous ..	7,709
	598,484

Social Amenities

Education

There has been greatly increased interest in education shown by the indigenous peoples since the liberation. The number of children attending school is about three times what it was before the war. The number of girls of all races attending school has also shown a considerable increase. At the present time approximately 28 per cent of the age group 5–14 attend school. Considerable expansion in the system of primary education has recently taken place by the establishment of Local Authority Schools, the authorities becoming responsible for this branch of education in their areas. Where there is no local authority, the indigenous peoples are encouraged, in the meantime, to open Private Aided Schools which are controlled by committees comprising local representatives. Financial assistance is received from Central Government funds for the purpose.

The Colony's long-term education programme makes provision for (*a*) the expansion and improvement of the Primary School system ; (*b*) the development of such Secondary, Vocational and Higher Education as will best meet the needs of the people and which will fit them to take a more responsible and active part in the development and administration of the country ; and (*c*) the organisation of Community Development Schemes.

Classes for the Cambridge School Certificate were held at five schools from which 108 candidates sat for the examination at the end of 1953. The Government also offers scholarships to candidates proceeding to higher education overseas and a number of students have in this way been sent to the University of Malaya and to institutions in the United Kingdom.

A Government Teacher-Training Centre and Secondary School, financed under a Colonial Development and Welfare scheme, was opened in 1948 at Batu Lintang. This expired in March, 1953, from which date the Centre has been financed solely from Sarawak funds. Because of the urgent need to provide teachers for a rapidly increasing number of schools, the course was limited, in the first instance, to two years. At the end of 1952 there were 87 student teachers in training, and the total number who had passed through the school was 181. By the end of 1953 41 students, including 7 from Brunei, successfully completed their training at the Centre.

Adult education is provided at a number of Chinese schools and at some Government and Mission schools.

In addition, a pilot literacy scheme for adult Sea Dayaks has been instituted, and although the number of literates as a result of the campaign was not large, the experiment will form a useful guide for future schemes.

Designed to meet the Iban-speaking population living in the interior of the country, a rural Improvement School, has been established at Kanowit since 1948. This covers the education of adults as well as children and the curriculum includes improved methods of agriculture, animal husbandry, elementary hygiene and infant welfare. The scheme was financed from Colonial Development and Welfare funds from its beginning until April, 1952, when it became a charge upon Sarawak's revenues.

Some indication of educational progress may be obtained from the following figures which show a steady increase during recent years:—

TYPES OF SCHOOLS

Year	*Government*	*Local Authority*	*Private*	*Mission*	*Chinese*	*Total*
1948	56	18	30	56	204	364
1949	50*	40	38	59	209	396
1950	47*	67	35*	59	215	423
1951	45*	74	30*	69	216	434
1952	41*	94	36	71	226	468
1953	41	99	49	85	238	512

* Decrease due to opening of Local Authority Schools.

ENROLMENT IN SCHOOLS

Year	*Government*	*Local Authority*	*Private*	*Mission*	*Chinese*	*Total*
1948	4,080	804	1,555	5,743	21,282	33,464
1949	3,760	1,625	1,891	6,550	21,800	35,626
1950	4,037	2,545	1,769	7,166	23,906	39,423
1951	3,641	2,868	1,408	7,988	26,365	42,270
1952	3,423	3,428	1,758	8,277	28,668	45,554
1953	3,527	3,608	2,407	9,446	30,084	49,072

Health

The Government operates three hospitals (about 650 beds), 24 outstation dispensaries, and 16 travelling dispensaries. The outstation dispensaries vary from elementary centres, from which simple drugs and dressings are dispensed, to more elaborate structures containing up to a maximum of 16 rest beds. The majority have beds and the average number is about six.

The Sarawak Oilfields Limited at Miri operates its own hospital of about 124 beds, primarily for its employees but, also by arrangement, for the general population.

There are no medical missions in the country, but at a few mission stations outpatient treatment is provided, and at two, inpatients are cared for by nuns who are also qualified nurses.

The Fifth Division of Sarawak receives, in addition to the services provided by the three dispensaries in the Division, certain services from the neighbouring state of Brunei. By arrangement with the Brunei Government, the State Medical Officer pays a monthly visit to the Dispensary at Limbang, the administrative headquarters of the Fifth Division, and people in the Division may, on the recommendation of the dressers, be sent to Brunei town for hospital treatment.

The General Hospital at Kuching, with an outpatient department, is the largest and most developed hospital in the Colony, and it is the training centre for dressers, nurses and midwives. It has at present about 300 beds, about 200 being for general medical and surgical cases, 20 for maternity cases, 26 for children, and 30 for tuberculosis cases. There are also special wards for about 200 mental cases.

The mental section, which serves the whole Colony, is not satisfactory either in siting or standard of accommodation, and this special work is seriously hampered by lack of trained staff. The accommodation is also proving to be insufficient to meet the demand. Under the Colony's Development Programme, provision was made for an inter-territorial mental hospital to serve North Borneo, Brunei and Sarawak, but this scheme had to be abandoned.

A new mental hospital for Sarawak alone is now being proposed for a site near Kuching.

Two Ante-natal and Infant Welfare Centres are operated at Kuching and one in a rural area 15 miles away, but the demand for their services has proved to be so great that a considerable extension is necessary, and new clinics are being provided.

The Lau King Hau Hospital at Sibu serves the Third Division, the largest and most productive administrative Division of the Colony. At present it has about 130 beds, five maternity and seven infectious diseases beds. In addition, there is accommodation for six lepers while awaiting transportation to the Leper Settlement in Kuching.

The low population density in the Colony and the wide dispersal of the people make it inevitable that, in spite of the existing hospital and dispensaries, much of the population is remote from any form of medical service. Thus a plan for the provision of medical aid to remote areas by means of travelling dispensaries was put into effect (financed by Colonial Development and Welfare funds) in 1949; since the beginning of 1953 it has been financed entirely from Colony funds. The service consists of 16 mobile dispensaries. As the population of the Colony is generally located on the banks of the rivers and streams, the mobile dispensaries are in boats—native type perahu powered by outboard motors—and ply on fixed stretches of river, calling at convenient points on fixed days each week. There is a dresser in each perahu, so that ordinary outpatient dispensary treatment can be provided. In addition, the boats serve as river ambulances.

A Leper Settlement is sited 13 miles from Kuching and is accessible by motor road. The number of inmates at the end 1953 was 450. There is no resident medical staff, but a part-time Medical Officer-in-Charge exercises general supervision through a Superintendent.

Main diseases in the country are malaria, tuberculosis and yaws. Tuberculosis is a particularly serious problem in Kuching, where a Chest Clinic Service, started in 1950, attracted widespread public demand for treatment.

In 1953 the Anti-Malarial Team World Health Organisation conducted a pilot experiment in residual spraying on the Batan River. If final results bear out the tentative finding that residual spraying does control malaria, it is proposed to seek financial provision to control malaria by this means throughout the whole country.

In 1952 the Government began a training scheme to improve the standard of rural midwifery, and assistance is also being provided by Unicef.

Housing

There is a serious shortage of houses in the towns, especially in the bazaar areas. Traders for the most part live in the upper floors of buildings, while the ground floor is used for business.

In the less developed areas of the Kuching municipal area, a large number of the buildings consist of plank walls, leaf attap roofing and earthen floors; they are occupied by Chinese squatters, paying a nominal rental. Water supplies are obtained from public standpipes or shallow wells and sanitation is most unsatisfactory.

In the Malay areas the buildings are usually of timber construction with wooden shingles or leaf attap roofings. The humbler ones may also have leaf attap walling. These buildings are usually raised eight to ten feet off the ground and are well ventilated. Each stands in its own little plot of ground.

In the Kayan and Dayak villages can be found the typical communal longhouses of the interior peoples, which are in effect, rows of from 10 to 60 houses all under the same roof. These are of hardwood frames, sometimes of immense size and variously furnished with plank walls and hardwood single roofs, or with leaf mat and thatch. Water in these areas is taken direct from the rivers, and sanitation is of primitive type. These longhouses are invariably raised some 10–20 feet above the ground (occasionally as much as 40 feet).

The housing position in Kuching has caused concern owing to the overcrowded condition of the bazaar areas, and to the large number of squatters both on private and on Crown lands. The standard of housing construction is improving but the high costs retard both the standards and the rate of development. A local authority housing scheme was being begun in 1954 to provide, in the first instance, about 200 houses, while the Government has recently completed a number of houses for its employees. In spite of the progress which has been made, the movement of population from the country areas to the town has made it difficult to do more than keep pace with the overcrowding.

Social Security

A Social Welfare Advisory Committee, first formed in 1947, acts in an advisory capacity to the Government on all aspects of welfare.

Government charity votes are operated throughout the Colony by Administrative Officers for the relief of the needy.

Most of the tribes in the interior of Sarawak lead a community life. The "long-house" system ensures that the individual incapacitated by illness or accident cannot be ignored or abandoned, and there is, in consequence, little or no destitution among these people. They rarely fail to provide foster parents for orphans and succour for the needy in their midst.

There is a certain amount of destitution among the Chinese. The various Chinese communities have their own associations, which themselves, or with the help of Government, effect some relief within their own communities. Aged destitute males are taken into the Government Home for the Aged near Kuching. The Mission Churches and Convents care for orphans on a limited scale, and run small hospitals and nurseries in certain outstations.

During 1953 a combined lottery was organised from which the Social Welfare Council would derive financial benefit. It is estimated that this may amount to about $60,000 in a year.

Post Office Savings Bank offices are operated at Kuching, Sibu, Miri, Baram, Simanggang, Mukah, Betong, Saratok and Limbang.

The activity of the Savings Bank has increased considerably in recent years. In 1950 there were 3,385 depositors with credits amounting to $1,269,542, and by the end of 1953 there were 6,085 depositors with credits of $3,074,771.

There are over 120 registered Co-operative Societies,* and the community shows great interest in this form of development.

The British Red Cross Society now has four branches, at Kuching, Simanggang, Betong and Miri and towards the end of 1953 it was decided to form a Saratok Division early in 1954.

The Government maintains a Home for Aged People.

Political Structure

Constitutional and Political Background

Before 1941 the internal constitution of the State was in theory an absolute monarchy. In practice there had come to be associated with the Rajah, as the supreme head of the State and the sole legislative and financial authority, various bodies with more or less loosely defined functions. Amongst these were the Supreme Council, established in 1855, and the Council Negri, established in 1867.

In September, 1941, the third Rajah enacted a Constitution to mark the Centenary of the rule of the White Rajahs. The Constitution of 1941 vested in the Supreme Council and the Council Negri, powers approximately equivalent respectively to those of the Executive and Legislative Councils of normal colonial constitutions. Generally speaking, the prerogatives of the Rajah were thenceforth to be exercised by the Rajah acting with the advice and consent of the Supreme Council, whilst all legislative and budgetary power was vested in the Rajah acting with the advice and consent of the Council Negri.

On the 1st July, 1946, Sarawak became a British Colony, and by Letters Patent the Supreme Council and the Council Negri retained the authority granted to these bodies in 1941. The Council Negri consists of 25 members, 14 of whom are official members appointed from the Sarawak Civil Service, and 11 of whom are unofficial members representative of the several peoples dwelling within the Colony and of their various interests. The unofficial members are appointed by the Governor in Council, and hold office for a period of three years. In addition to the 25 members, there are 14 standing members. The Constitution Ordinance provides that a native of Sarawak who was a member of Council Negri immediately prior to the enactment of the Ordinance, and who is not a member of the Council appointed under the provisions of the Ordinance, shall, nevertheless, be deemed to be a member of the Council Negri and shall have the right to attend all meetings of the Council, and of speaking and voting therein until he shall die or resign or cease to be a member of the Sarawak Civil Service. The Council Negri has the power to make laws for the peace, order and good government of the Colony, and no public money may be expended or any charge whatsoever made upon the revenues of the Colony except with the consent of the Council Negri.

The Constitution Ordinance also provides for a Supreme Council composed of not less than five members, a majority of whom shall be members of the Sarawak Civil Service, and a majority of whom shall be members of the Council Negri. All powers conferred upon the Rajah or the Rajah in Council by any written law enacted before the date of the operation of the Cession of Sarawak to His Majesty are vested in the Governor in Council.

The administrative work of the Colony is carried out by 12 departments under the Chief Secretary, the principal executive officer of Government.

Constitutional changes, which have been contemplated since the cession, but which were deferred for political reasons, have been under consideration with the object of guiding the people of Sarawak towards self-government. These proposals have aroused considerable local interest, and it was hoped that the work of drafting legislation to give effect to them would be undertaken in 1954.

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* See below p. 145.

Governors' Conferences under the chairmanship of the Commissioner-General for the United Kingdom in South-East Asia, at which the High Commissioner for the Federation of Malaya and the Governors of Singapore, Hong Kong, Sarawak and North Borneo attend, are held regularly. Close liaison is kept with North Borneo on all matters likely to affect the Borneo territories. The Governor of Sarawak is also High Commissioner for Brunei.

Sarawak is an Associate Member in the Malayan Group of the Economic Commission for Asia and the Far East, and has so far been represented at all the sessions of the Commission. It is also associated with the other Colombo plan countries for development purposes.

Local Government

For administrative purposes, the Colony is divided into five divisions, each administered by residents, with headquarters at Kuching, Simanggang, Sibu, Miri and Limbang. These divisions are sub-divided into districts which are administered by District Officers or Native Officers. Since the introduction of the Local Authority Ordinance (No. 12 of 1948), Divisional and District Advisory Councils, together with Chinese Advisory Boards have been constituted, as well as 17 Native Authorities having control of their own finances.

Municipal Boards operate at Bau, Sibu, Sarikei, Binatang and Miri, while the Kuching Municipal Council was established at the beginning of 1953 with much wider powers than those previously exercised by the Municipal Board. The majority of the local authorities are established on a racial basis, but this is being superseded by mixed authorities which already function in Mutah, Limbang and Sibu. The mixed racial pattern of local authorities will form the basis of future development and progress in this field.

Revenues consist of direct taxes, fines and fees supplemented by grant from Central Government, calculated according to the number of taxpayers.

Principal Economic Legislation

General

Companies are subject to the Income Tax Ordinance of 1949 (No. 16). There is also provision for double taxation relief measures. Registration of Co-operative Societies is governed by Ordinance No. 17 of 1948.

The Trade Licensing Ordinance (No. 17 of 1949) provides for registration of and fees to be paid by various categories of trading.

Holders of patents registered in Great Britain, the Straits Settlements or the Federation of Malaya, may apply for exclusive privileges in respect of Sarawak (Cap. 92).

Only trade marks protected by law in the United Kingdom may be registered in the Colony (Cap. 95).

Copyrights are governed by the Copyright Ordinance of 1936 (Cap. 94).

A National Resources Board has been set up under the National Resources Ordinance, 1949 (No. 15); its functions include: (*a*) general supervision of national resources; (*b*) examination of all projects for the conservation and improvement of water supplies and soil; and (*c*) stimulation of public interest in conservation and improvement of national resources.

Labour

There are no Labour Exchanges in Sarawak since there is virtually no unemployment.

A comprehensive Workmen's Compensation ordinance based on Malayan legislation has been enacted in Sarawak and has been enforced in respect of certain scheduled occupations since 1950. Compulsory insurance is not at present contemplated.

Major disputes are rare, but an appreciable number of individual complaints are dealt with by the Protector of Labour. These are usually disputes regarding wages or monies due on termination of employment or contract, and are in nearly every case settled to the satisfaction of both parties without recourse to an order of the Court.

The Protector deals personally with all disputes brought to his notice in Kuching, while District Officers function as his Deputies with regard to all disputes arising in their district.

The Trade Unions and Trade Disputes Ordinance, 1947, came into force on the 1st May, 1948, and 23 unions had been registered at the end of 1953.

Land Tenure

The Land Ordinance (No. L-2 (Land) 1931) and amendments provides for the control and alienation of Crown land and matters relating to land tenure.

The Land Settlement Ordinance of 1933 makes provision for the settlement of rights to land. It is similar to the many forms of the Torrens system used throughout the British Commonwealth.

All land in the Colony is Crown land, and it may be alienated in large or small holdings, the policy being to encourage small holdings. There are three categories of land. Firstly, the " Mixed Zones " where both natives and non-natives may hold land under title; these cover about 4,280 square miles. Secondly, there are Native Areas where only natives of Sarawak may hold land; these total some 930 square miles. Thirdly, there are the " Interior Areas " which cover the remainder of the country, about 41,790 square miles, which are generally remotely situated from the main centres of trade and plantation industry, and in which the only land use is native farming. On this land only general administrative control is exercised.

Within Mixed Zones land may be alienated by Crown grant for a term up to 999 years. Grants of this kind are now rare and may only be issued by the Governor in Council. The usual form of alienation is by lease of Crown land for a term not exceeding 60 years. Depending on the situation, proposed use, etc., short-term leases may be issued for 7, 14 or 21 years. There are a few old grants in perpetuity which correspond to a freehold title free of all conditions and payment of revenue. Agricultural land is alienated on direct application, while town land and land for special purposes is alienated on such terms and conditions as the Governor-in-Council may from time to time decide.

All land in the Colony is Crown land except where portions are alienated under the Land Ordinance or are claimed by Customary Native use. As noted above, the latter category is difficult to determine. The alien holders of land are, with a few exceptions, Chinese.

Protection of Native Interests in Land is provided for by:—

(*a*) The Land Ordinance which permits any adult native to hold between three and four acres free of all charges and not transferable or chargeable or capable of being taken by judicial process in payment of debts.

(*b*) Native communal reserves constituted for the communal use of native villages in which individual ownership does not obtain.

(*c*) Declared Native Areas in which only natives may hold title to land. These lands are otherwise transferable and chargeable.

(*d*) The " Interior Areas " referred to above. Provision is, however, made for the extension of Mixed Zones and Native Areas into the Interior Areas as time goes on, and the development of the country shows this to be necessary.

Trade Tariffs

General control of Customs is exercised under the Customs Ordinance No. 12 of 1947, and import and export duties are levied in accordance with the Customs Tariff (Cap. 19) as amended.

IMPORT DUTIES

Article	*Rates of Duty*	
	How Charged	*General Tariff*
Intoxicating Liquors:		$ c.
(*a*) Rectified spirit, brandy, whisky, rum, gin, liqueurs, etc.	per proof gallon	30·00
(*b*) Brandy, whisky, rum and gin in bottle and accepted by the Proper Officer of Customs as not exceeding 81 per cent. of proof spirit	per gallon	21·00
(*c*) Toddy, saki and pineapple spirit and arrack, including samsu and medicated samsu	per proof gallon	12·50
(*d*) Sparkling wines up to 42 per cent proof spirit	per gallon	18·00
(*e*) Still wines 26–42 per cent proof spirit	,,	8·00
(*f*) Still wines up to 26 per cent proof spirit	,,	4·00
(*g*) Ale, beer, stout, porter, cider and perry	,,	1·20
Tobacco:		
(*a*) Cigars	per lb.	8·50
(*b*) Cigarettes		
(i) 2½–3 lb. per thousand	per 1,000	12·00– 4·40
(ii) exceeding 3 lb. weight the thousand	per lb.	4·80
(*c*) Unmanufactured tobacco	,,	2·50
(*d*) Manufactured tobacco (excluding cigars and cigarettes)		
(i) imported in containers for retail sale	,,	5·00
(ii) Other	,,	3·00
Petroleum and Petroleum Products:		
Kerosene oil and diesel oil	per gallon	·10
Petrol and lubricating oil	,,	·20
Fuel oil	,,	·05
Grease—lubricating	per lb.	·05
Sugar	per kati	·03
Salt:		
(*a*) Coarse	per pikul	1·60
(*b*) Fine	,,	2·00
Milk, including cream, condensed, desiccated or preserved	per lb.	·05
Tea	,,	·10
Coffee:		
(*a*) Raw	,,	·05
(*b*) Roasted or ground	,,	·10
Soap	*ad valorem*	10%
Cosmetics and perfumery	,,	30%
Textiles and wearing apparel	,,	10%
Matches	per 100 boxes	2·00 plus for every 50 matches or portion thereof in excess of 100 in each box per 100 boxes $1·00
Musical instruments and accessories, including gramophones, etc.	*ad valorem*	10%
Cameras (including cine-cameras), component parts, and photographic accessories and apparatus	,,	20%
Electrical and wireless apparatus, components and accessories thereof but excluding dynamos and industrial electric motors	,,	20%
Vehicles; parts and accessories, etc.	,,	20%
Timber, furniture, refrigerators	,,	20%
Rifles and guns	per barrel	5·00
Pistols and revolvers	each	3·00
Cartridges (loaded or empty)	per 100	1·00

British Preferential Tariff Rates on Milk and Milk Products are at the rate of 1 cent per lb., and on Electrical and Wireless Apparatus, Vehicles, Timber, Furniture and Refrigerators at 5 per cent *ad valorem*.

EXPORT DUTIES

Article	*Unit*	*Rate* $ c.
Bird's Nests, White	per kati	8·62
„ Black	per pikul	43·04
„ „ Uncleaned	„ „	16·52
Copra	„ „	2·45
Coconut Oil	„ „	3·77
Damar Mata Kuching	„ „	10·72
„ Dagang	„ „	10·72
„ Darat	„ „	1·29
Fish, Dried and Salted, No. 1	„ „	11·39
„ „ „ „ No. 2	„ „	6·62
Fish Maws, No. 1	„ „	42·24
„ „ No. 2	„ „	40·00
„ „ No. 3	„ „	24·64
Fish Roe	„ „	9·75
Gutta Jangkar	„ „	6·20
Jelutong, Raw	„ „	7·49
„ Refined	„ „	14·98
Gutta Percha, No. 1	„ „	14·35
„ „ No. 2	„ „	8·93
Illipe Nuts	„ „	7·04
Pepper, White	„ „	20·44
„ Black	„ „	11·09
Prawns, Dried	„ „	14·10
„ Refuse	„ „	2·12
Plantation Rubber	„ „	12·19
Sago, Flour and Pearl	„ „	1·17

(1 kati = 1⅓ lb.; 1 pikul = 133⅓ lb.; 16·8 pikuls = 1 ton.)

As the above table shows, all export duties are now levied at specific rates. Since the war, however, *ad valorem* rates have been used at different times, and have been adjusted periodically.

The Excise Ordinance (No. 13) of 1950 was introduced to take effect from the 1st January, 1951, for levying of excise duty on goods or liquors manufactured within the Colony. Revenue is also collected on excise lines from the Raya Chemical Works at Pending and the Sarawak Match Factory.

The issue of Mining Licences is controlled by Ordinance No. 14 of 1949.

The following are the present terms of alienation of Crown land where the holding is of less than 100 acres.

Country Land	*Premium*	*Annual Rent*
Agricultural (ordinary)	$1·00 per acre	$1·00 per acre
„ (rubber)	3·00 „ *	1·00 „
„ (grazing)	·50 „	·20 „
„ (padi)	Nil „	·20 „
Residential	5·00 „	1·00 „
Industrial	10·00 „	5·00 „
Shop Lots	10·00 per lot	5·00 per lot

* Reducible to $1·00 if approved planting methods are used. (Malayan dollar = 2s. 4d.)

Where the holdings have an area of over 100 acres the premium and rent are as determined by Government in each case.

For town and suburban land the premium and rent varies according to locality.

Survey fees on alienation are charged at a nominal rate for holdings under five acres and, thereafter, at actual cost plus 10 per cent. There are no private surveyors engaged on land title and registration surveys. All surveys for subdivision of alienated land and verification of boundaries, etc., are carried out by the land holder. All computation and charting is done in a central office—usually the Divisional Land and Survey Office, in which is also the Divisional Land Registry.

Immigration

Previous immigration restrictions legislated in Sarawak were somewhat analogous to those in force in other British territories. Consequently a Bill to introduce a new ordinance was passed in 1951, and the main points incorporated are: (1) Terms of admission into the Colony; and (2) Greater freedom of movement between Sarawak, North Borneo and Brunei.

Communications and Transport

Roads

The present road system in the Colony is very poor and undeveloped, except in the immediate vicinity of the main towns. There were in 1953 approximately 470 miles of roads, comprising :—

	Miles
(i) All weather, bitumen or concrete surfaced	95
(ii) Metalled	65
(iii) Earth roads suitable for motor traffic under fair weather conditions	115
(iv) Unmetalled pathways and cycle tracks	195
	470

In addition, there are some 250 miles of footpaths.

Kuching, Sibu and Miri have a small network of roads with earth roads branching to outlying agricultural, rubber and forest districts, but there are no connecting trunk roads.

The necessity for an adequate network of roads has been recognised and road construction occupies a major position in the Colony's Development Programme. Plans include a main trunk road to Simanggang, thence to Sibu (approximately 100 miles). The present 40-mile stretch from Kuching to Serian, which will form part of this road, is being re-surfaced. A new section of some 90 miles, from Serian to Simanggang is also being constructed.

In the Kuching area, the Pending and Padungan roads have been connected and a portion of the Datus road reconstructed. The latter goes through a large Malay kampong area, subject to tidal floods.

Both construction of earth roads and re-surfacing are being carried out in the various Divisions, but heavy rainfall contributes to serious deterioration and there is urgent need for all-weather surfaces.

The initial development of a new granite quarry at Sebuyan was completed in 1954, the stone being intended mainly for the Third and Fourth Divisions, where there are few accessible sources of good roadstone.

Water

The rivers and sea afford the principal means of communications. Steamship services ply between Kuching and coastal ports and also serve Sibu and other Rejang River ports. In addition, numerous powered small craft, mainly Chinese owned, carry passengers and cargo up and down the various rivers. Smaller boats, often driven by outboard motors, make their way far into the interior. When the rivers get too shallow for outboard motors or even paddling, light boats are poled up river on journeys lasting several days. The proposed Sungei Kut Canal (being constructed under the Development Plan) will connect the Igan and Oya Rivers and provide a waterway for boats carrying a heavy volume of produce, particularly sago.

Sailings are maintained regularly between Sarawak and Singapore by the Sarawak Steamship Company Limited and the Straits Steamship Company Limited. A weekly service is also maintained between Kuching, the Rejang River and Miri. Ships going from Singapore to North Borneo call at Pending, five miles down river from Kuching. One call at Pending a month each way is made.

Coastal trade and communications is maintained fairly regularly by locally owned small craft between Kuching and the main coastal ports; about two sailings weekly on the average. The Sarawak Steamship Company also maintains services between Kuching, Sibu, Bintulu, Miri and Baram.

A Government owned vessel runs between Kuching and the Fifth Division also including Brunei. The Government owns several launches and perahu with outboard motors which are used for administrative purposes.

All ports of Sarawak, with the exception of Miri, an open sea anchorage, are on rivers. The main inland waterways are: The Sarawak River (on which stands Kuching, the capital), the Rejang River (with seven ports, varying in distances of 4–10 miles from the mouth), the Batang Lupar (Simanggang), the Marudi (Baram River) and the Lawas.

In 1953 the total deep sea tonnage using the ports of Sarawak amounted to more than 3 million tons. In the same year the total volume of coastwise shipping was about 250,000 tons.

The following are details of ports and available facilities :—

LIST OF PORTS

Port	*Vessels*		*Wharf*	*Depth L.W.*
	Draft	*Length*		
	ft. in.	*ft.*	*ft.*	*ft.*
Kuching ..	16 0	300	191	12
,, ..	—	—	222	8
,, ..	—	—	127	6
,, ..	—	—	809	4
,, ..	—	—	40	3
Kuching Pending Anchorage ..	20 0	450	—	—
Binatang ..	16 0	280	144	16
Sarikei	16 0	280	100	15
Sibu	16 0	280	140	16
,, ...	—	—	100	8
,, ...	—	—	140	5
Miri	Open sea anchorage		—	—
Lundu	8 0	100	—	—
Simunjan ..	12 0	220	—	—
Lingga	12 0	220	—	—
Simanggang ..	6 0	80	—	—
Betong	6 0	50	—	—
Labong	6 0	50	—	—
Mutah	8 0	120	—	—
Oya	8 0	100	—	—
Balingian ..	6 0	60	—	—
Tatau	7 0	100	—	—
Bintulu	8 6	150	100	5
Niah	5 0	40	—	—
Sibuti	5 0	40	—	—
Baram	7 6	200	—	—
Limgang ..	8 0	200	150	16
Lawas	8 0	200	20	6

Light Dues and Harbour Fees Payable:

Buoy and light dues ..	10 cents per net registered ton
Wharf rent	10 cents per net registered ton
Engagement and discharge of seamen	50 cents for each on and off
Storage rent of godowns ..	30 cents 40—cents per ton per week
Registration of vessels certificate	50 cents
Registration of mortgage and transfer fee	$1.00 plus requisite stamp duty
Survey fee (annual or after accident)	Dependent on tonnage
Assignment of loadline ..	Dependent on tonnage
Measurement fee	Dependent on tonnage
Visiting fee for survey outside vessel (Surveyor of Ships)	Usually $25·00
Fee for replacing lost documents	50 cents
Hiring or chartering Government vessels for carriage of goods ..	$20·00 per hour

The Brooke Dockyard and Engineering Works, Kuching, is a publicly-owned establishment operated under the control of a board of management appointed by the Government.

The dry dock, which was opened in 1921, is 240 feet in length, 40 feet wide at the entrance, and vessels up to 9 feet draught can be docked at spring tides. The dock entrance is closed by a steel caisson operated by the rise and fall of the tide, pumping machinery being installed to deal with water below tide level. A 10-ton capacity fixed jib crane is installed at the dock wharf.

Adjacent to the dry dock is a slipway constructed to accommodate launches up to 40 feet in length and 13 feet beam. There is also a machine shop equipped with a range of machine tools, electric and oxy-acetylene welding apparatus and a small brass melting furnace. The shop is suitable for general mechanical engineering repairs, comprising maintenance to hulls and machinery of local vessels and public and privately-owned plant and equipment.

A scheme has been prepared for the modernisation and extension of the dockyard services, including the construction of a 100 foot slipway. Work was expected to begin in 1954 and will be spread over 3 years.

Air Services

Kuching's new modern airport was officially opened in September, 1950. It has an all-weather asphalt macadam surfaced runway 1,500 yards long and 50 yards wide, and provides full technical and navigational aids in accordance with the requirements of an international airport.

Sibu airfield has a gravelled surface runway 1,200 yards long, and further improvements are being carried out.

Sarawak Oilfields Ltd. own a grass airstrip over 1,000 yards long for use by the company's aircraft and there are a number of other smaller landing-fields.

Malayan Airways Limited operate five times weekly in each direction through Kuching, on the Singapore-North Borneo Service. Plans are being made for the development of an internal air service.

Railways

A metre gauge railway runs between sand quarries situated seven miles to the south of Kuching, and is used for the haulage of stone from the quarries.

Postal and Telegraph Services

The telegraph system in Sarawak, except where there are telephone extensions from telegraph offices, is dependent on radio telegraphy. This obviates the expenditure incurred in the maintenance of lines through very heavy jungle country. In view of the difficult nature of the country it is proposed to establish a V.H.F. radio system to link all the telephones in the country.

There are 21 wireless telegraph stations and 21 telephone extensions from telegraph offices. Telegraph facilities are extended from time to time to meet the requirements of the administrative and the public demand. Telegraph stations exist at the more important centres and in isolated stations. The departmental facilities are made available to the public for private and commercial business.

There are 35 Post Offices in the country. Nineteen of these offices are also telegraph stations, and 11 are telephone stations. Mails are carried by whatever means are available for their transportation. Sabah Airways Limited operate an airmail service five times a week between Singapore and North Borneo, via Kuching, and mails by sea are sent to Singapore once a week.

There are 18 telephone exchanges in the country. The total mileage of telephone lines is approximately 617 in aerial and underground routes, and 1,550 on open wire routes.

Broadcasting

A Sarawak Broadcasting Service has been established at Kuching, and a Broadcasting House, Transmitting Station and Receiving Station were under construction in 1953 and 1954. Staff-training and recruitment have been assisted by the B.B.C. and Radio Malaya.

II. PRODUCTIVE ACTIVITIES

Agricultural Conditions and Methods

It is estimated that an area of about 13,000 square miles is used for agricultural purposes. This includes land occupied by tree crops and land used for hill padi cultivation. The following table gives a rough picture of land use in the Colony :—

LAND UTILISATION, SARAWAK*

	Square Miles
Virgin hill jungle, plus virgin hill jungle that has been worked to some extent for jungle produce or timber, plus very old secondary jungle. Mainly consists of steep irregular hills, a large portion of the soils on the hills being poor (areas calculated by difference)	27,826
Nipah and/or mangrove swamp	466
Peat swamp jungle—peat over 3 feet deep (probably unsuitable for wet padi or only after major drainage/reclamation works)	5,594
Swamp jungle—shallow peat only (believed suitable for wet padi)	176
Land planted with coconuts	35
Land planted with rubber (a considerable proportion of this rubber is planted on delta land more suitable for wet padi than rubber)	385
Land planted with sago (no information available as to age or plant population)	232
Land used for swamp wet padi cultivation—not necessarily regularly every year—often 2 or 3 year fallows intervene between consecutive crops	1,903
Hill land used for dry padi cultivation and where average bush fallow period is not more than 20 years and not less than 7 years	3,643
Hill land used for dry padi cultivation and where average bush fallow period is less than 7 years	5,290
Derelict eroded and/or lalang infested hill land. Mainly aftermath of hill padi cultivation but may also be aftermath of pepper or tapioca cultivation. Areas include the few small urban and industrial areas	1,521
Total	47,071

* From Sarawak's " Colonial Development and Welfare Plan ", 1947/8–1955/6. This table does not mention certain minor crops such as pepper (50 square miles) and vegetables or other food crops, covering possibly 170 square miles. Some of these may be included in the first of the above sub-headings, which is a residual item.

Small native farmers are responsible for most of the agriculture of the country. General policy is to encourage development by native farmers working a mixed system of farming rather than by the large specialised plantation. Progress along these lines would probably best be exercised through the establishment of " group-farming " units.

Little detailed physiographical information, especially regarding the interior of the country, is available, but survey work is being carried out continuously. There are coastal and delta swamps in some places up to 50 miles from the coast and in others as little as five miles from the coast. A large proportion of the swamps are near sea level and subject to severe flooding (in some cases with brackish water) ; reclamation by bunding and drainage appears economically impossible at present, and in many cases may not be feasible technically. A large area of the swamp is more than three feet deep in peat. There are, however, considerable areas of good swamp padi land in the delta regions. The peat swamps are frequently bounded on the banks of the lower reaches of the rivers by narrow belts of alluvial land which, although usually too low lying for tree crops, are suitable for intensive wet padi cultivation. The hinterland consists mainly of steep irregular hills rarely more than 2,000 feet high, though occasionally rising to 3,000 feet. Few flat areas or vegas exist between the hills. On the whole, the soils are very poor, and with climatic conditions less favourable to plant growth these soils would be regarded as almost barren. There are a few very limited areas of better soil. The mountainous area of the interior consists of extremely steep irregular shaped and placed peaks, averaging up to 5,000 feet, mainly situated in the part of the country bounded by areas covered by the headwaters of the Trusan and Limbang rivers in the Fifth Division, the Baram and the Tinjar rivers in the Fourth Division, and the Rejang and Baleh rivers of the Third Division. The extent of this mountainous region is probably 5,000 square miles. According to reports so far received, there is no evidence to show that there are any large areas of flat or near flat land between the peaks. Most of the remote interior mountainous region is believed to be still under virgin jungle.

The main crop pests and diseases are rats, which do considerable damage to the padi fields, and the "Sudden Death" disease of pepper, on which research is being carried out.

Deposits of guano, which occur in north-east Sarawak, produce phosphate which is playing an important part in the country's agricultural development, but substantial imports of fertilisers are also required. These amounted to over 7,000 tons in 1953. There is very little mechanisation of agriculture in Sarawak, but experiments and trials are continually being carried out with a wide range of small mechanical cultivators. Mechanical pumps for irrigation are being used with considerable success.

Rice is the staple food of Sarawak. Large compact blocks of either wet or dry padi are rare, and most of the padi is grown in small scattered patches. Dry padi is usually cultivated under a system of long bush fallows on steep hillsides whose slopes often exceed 45°. When the land is taken from high jungle, the usual practice is to fell in the driest part of the year and to burn the felled timber as soon as dry. Procedure then varies widely, but it seems fairly general practice to dibble or broadcast the seed for the first crop on the ashes following the burn. After the harvest a bush fallow period of from 12 to 15 years seems usual before the next crop is taken. Succeeding crops are taken after varying fallow periods. As the area of land considered suitable for the system and accessible to a particular " long-house " is limited, dropping yield per acre (due to falling fertility consequent on severe soil erosion) and the natural increase in population make it inevitable that a larger area of the suitable accessible land is worked each year, with consequent reduction in the recuperative bush fallow period. The consensus of opinion is that when the bush fallow period has dropped below seven years, a move to an entirely fresh area must be made, and in this sense the system is that of " shifting " cultivation.

Wet padi cultivation is mainly confined to the delta areas and more particularly to the banks of the main rivers. Sowing and harvesting of wet padi takes place at more or less the same times as that of dry padi. The methods employed are often primitive—large compact blocks are exceptional, and permanent bunding for control of water supply is seldom seen, except in the case of some Malay and Chinese cultivators. Fallow periods of two to three years between successive crops are frequent. Fallow growth is burnt after slashing if the season is sufficiently dry; otherwise the litter is allowed to rot on the fields. Unrotted portions remaining at planting are raked into temporary bunds. In some areas, cultivation is usually by buffalo trampling, sometimes assisted by a plough ; but in other parts of the country cultivation usually consists of little more than the turning of the surface sods with local hand implements. Transplanting from nurseries is fairly widely employed.

Cultivation in Sarawak is predominantly carried out on smallholdings, the average size of native rubber holdings, for example, being only about 1½ acres in extent, and those of non-natives being under 6 acres on the average. Of more than 102,000 rubber holdings, there are only 40 larger than 100 acres and of these 35 cover 6,723 acres.

AGRICULTURAL HOLDINGS, 1952

Type of Holding	*Number*	*Total Area (Acres)*
Rubber (native) ..	81,716	245,421
„ (non-native) ..	20,430	
Coconut	8,721	75,974
Pepper	11,602	35,581
Sago	12,119	87,027
Padi*	15,247	74,638
Other agricultural ..	20,904	117,997
Cattle grazing	744	21,299
Miscellaneous	4,179	16,504
Total	175,662	674,441

* The figure for padi holdings excludes the areas of communal farming and native customary lands. These cover about 91,000 acres. It also includes shifting cultivation.

Local Food Crops

Padi.—The Colony's main crop is padi. Annual production is in the vicinity of 90,000 tons or 75 per cent of total consumption.

The estimated area under cultivation is 500,000 acres of hill/dry and up to 200,000 of swamp/wet. Yields are approximately :—

460 lb. per acre	for hill/dry
750 „ „	„ extensive swamp
920 „ „	„ semi-extensive swamp
1,200 „ „	„ intensive swamp

The Government's padi purchase scheme dating from 1946 (fixing a minimum price of 55 cents per gallon) has ensured an adequate return for the cultivator and helped to reduce the necessity for imports of rice. During 1951, however, the high price of rubber and other export crops caused a fall in rice production and imports rose steeply. There has since been an increase in the area under padi and production has been rising. Before the war all imports averaged about 34,000 tons annually.

IMPORTS OF RICE

Year	*Metric Tons*
1948	17,525
1949	11,517
1950	25,478
1951	31,907
1952	28,723
1953	21,666

Coconuts.—It is estimated that there are approximately 21,000 acres of coconuts mainly confined to the First Division. A large number of the palms are known to be old and in very poor condition. Yield of copra per acre is 900 lb. There is a small copra export trade with Singapore, and this has reached a substantial volume over the last few years.

EXPORTS OF COPRA, 1947–53

Year	*Quantity (Tons)*	*Value* $
1947	168	50,448
1948	1,718	1,040,412
1949	3,418	1,676,702
1950	4,230	2,651,451
1951	3,864	2,654,196
1952	2,612	1,106,541
1953	2,635	1,275,837

Cash Crops

Rubber.—This is Sarawak's most important export and chief tree crop, although the fall in prices and reduced production in 1953 and the expansion of pepper and timber production displaced rubber as the principal export for the first time. In 1935–40 rubber accounted for 90 per cent of the value of exports, but in 1953 the proportion was only 31 per cent. Rubber plantations occupy about 240,000 acres, of which only a small percentage consists of large estates.

In 1950 and 1951 there was considerable interest in planting and replanting with high yielding material, and in order to prevent rubber being planted on land required for swamp/wet padi, planting control (Cap. 106) had to be reimposed. Since the price of rubber began to fall in 1951, interest has abated, and by 1953 the continued decline in prices had resulted in a further fall in output. In some areas production had ceased altogether and one European owned estate in the Fifth Division had closed down. The effects of this curtailment of output are reflected in the increased production and reduced imports of rice, and in the large expansion of pepper production.

In general, the quality of rubber produced in Sarawak has not been high and a recent estimate has suggested that the proportion of sheet in the different grades has been as follows : No. 1, 8 per cent ; No. 2, 18 per cent ; No. 3, 44 per cent ; No. 4, 18 per cent ; No. 5, 12 per cent.

PRODUCTION AND EXPORTS OF RUBBER, 1935–53

Year	*Production*	*Exports*	
	Tons	*Quantity Tons*	*Value* $
1935	Not available	11,897	7,692,851
1936		21,456	11,548,689
1937		26,519	17,281,766
1938		17,940	7,968,931
1939 ..	24,000	24,031	15,384,928
1940 ..	35,000	35,147	26,167,140
1941–45		Not	available
1946 ..	9,000*	23,520	19,316,549
1947 ..	36,750	35,550	26,084,589
1948 ..	39,680	45,268	34,532,924
1949 ..	39,461	38,901	31,545,400
1950 ..	55,615	55,475	113,941,617
1951 ..	42,359	42,521	158,865,402
1952 ..	31,844	31,471	65,182,029
1953 ..	24,037	23,958	31,616,358

(Malayan dollar = 2s. 4d.)
* Estimated.

Of the 31,471 tons of rubber exported in 1952, the greater part (25,382 tons) was shipped to Singapore. 4,654 tons were sent directly to the United Kingdom and smaller amounts to Sweden, Germany, Hong Kong, Italy, France and elsewhere.

Sago.—It is estimated that about 150,000 acres are used for sago cultivation, the major part being concentrated in the Mukah, Oya and Dalat regions of the Third Division and mainly worked by Melanaus. No detailed information as to the average number of palms per acre or the general condition of the palms is at present available, but it is estimated that only about 75,000 acres can at present be regarded as productive sago. Because of the poor quality flour exported since the liberation by speculative traders and the consequent risk of Sarawak sago flour getting a bad reputation, exports that do not reach a specified minimum quality standard are prohibited under the Sago Flour (Control of Exports) Ordinance, No. 22 of 1948. This accounts for the falling off in exports as compared with the peak reached in 1948, although the sharp drop in 1953 was probably caused by the lack of mature palms following overcutting in earlier years when prices were high.

EXPORTS OF SAGO, 1935–53

Year	*Exports* (*Tons*)	*Value* $
1935	19,367	717,947
1936	22,652	972,830
1937	23,133	1,170,960
1938	15,272	570,793
1939	24,971	1,572,181
1940	23,142	2,184,997
1941–45.. ..	Not available	
1946	5,047	1,097,664
1947	39,221	10,598,863
1948	49,752	11,124,325
1949	27,082	4,699,629
1950	38,243	9,277,842
1951	23,945	7,988,232
1952	22,620	5,954,774
1953	16,073	4,371,384

Most of the 16,073 tons of sago flour exported in 1953 was shipped directly to the United Kingdom, the amount being 15,002 tons. The other principal purchaser was Holland.

Pepper.—Pepper was an important export product before the war, but the gardens were largely abandoned during the Japanese occupation. Considerable replanting has taken place recently and appreciable quantities of new pepper are becoming available for export. There should be a steady increase in production if prices remain at their present level: 1953 exports rose to 8,997 tons as compared with 4,012 tons in 1952, 1,209 tons in 1951, and 283 tons in 1950. Most of the pepper is produced by small individual gardens, each less than half an acre in extent, and the shifting cultivation system is used. This should, however, be minimised under the terms of the Natural Resources Ordinance (No. 15) of 1949. Estimated yield per acre is about 5,200 lb.

A feature of the 1953 pepper crop, which was the highest ever recorded, is the fact that 85 per cent of it was made up of black pepper, while in the previous year the crop was almost equally divided between black and white, and in earlier years almost the whole output was black. There has been only a small price margin between the two types, and black pepper is much cheaper and easier to produce.

Pepper exports go principally to the entrepôt of Singapore and only small amounts are directly shipped to other countries. Of the 4,012 tons exported in 1952, 3,481 tons were sent to Singapore. Other principal purchasers were the United Kingdom, about 284 tons, and Germany just over 100 tons.

Small quantities of pineapples, tobacco, coffee and derris are also grown, as well as other fresh fruit and vegetables which are cultivated by Chinese market gardeners near the towns.

Cocoa.—There is no history of commercial planting of cocoa in the Colony, and few trees are known in the country. However, the Cheeseman report* suggests the area around the Trusau basin in the Fifth Division might prove to be suitable for the production of this crop. For it to be worthwhile, a minimum annual production of 5,000 tons would be necessary involving plantings totalling 10,000 acres. The Department of Agriculture has planted about 500 selected seedlings on which it is hoped to base a seed production station. Results so far have been promising.

Animal Husbandry

Animal husbandry at present plays but a small part in Sarawak's rural economy. The total number of cattle is small. Some herds of buffaloes estimated at a total of 5,600 head are kept in the Fifth Division and are used for meat and for cultivating the wet padi fields, but in other parts of the country buffaloes are rarely seen. Small herds of dairy cows are kept near the towns by Indians. Chinese smallholders keep pigs and poultry for their own use and for the supply of pork and eggs to local markets. The Malays keep a few goats. Poultry for home use are seen in the villages of both Dayaks and Malays. Pigs are always to be found in and around Dayak villages.

Forestry

The area of forest lands in Sarawak is estimated at 42,000 square miles, and this may be divided into 16,000 square miles of accessible forest land and 26,000 square miles of unprofitable or inaccessible forest land. Of the 26,000 square miles classified as unprofitable or inaccessible, there is 40 per cent estimated as secondary jungle. Virgin jungle is estimated at 31,600 square miles ; of this about 27,000 square miles is virgin hill jungle, the remainder being nipah and mangrove and shallow and deep peat swamp.

The forests of the Colony may be classified as evergreen rain forest and consist of three main types :—

(*a*) Mangrove forest which occurs in the deltas of the main rivers, and produces firewood, charcoal and cutch, a tanning extract obtained from the mangrove bark.

(*b*) Inland swamp (fresh water) forest. This is very extensive producing fair quality timber and minor produce, the most valuable of which is jelutong, a wild latex obtained from *Dvera Lowii*.

(*c*) Dry or hill forest. This is the best type of forest producing valuable timber, both hardwoods and softwoods, and also minor forest produce such as rotans and resins. This type of forest was at one time very extensive, but a large proportion of the more accessible areas have been destroyed by shifting cultivation.

As part of the Development Plan, an extensive scheme of new permanent forest reservation has been undertaken, and a comprehensive inventory of forest resources is planned.

The forest products of Sarawak fall under two heads, referred to as major and minor forest produce.

Major Forest Produce (including timber and firewood).—The main type of timber exported is *ramin*, a light hardwood of fine texture and straight grain, which is mainly used for plywood, light interior construction, boxes, joinery, shop fittings and furniture. Other important types of wood exported are *meranti*, another light hardwood which is the general utility timber of Borneo and neighbouring countries, and *medang jongkong*, a soft light hardwood. Most of the timber is exported as logs, but with the growth of local saw-milling industry it is expected that the proportion of sawn timber exported will tend to rise.

There were 47 saw-mills at the end of 1953, as compared with only 18 in 1947. Most of them are, however, small and inefficiently equipped. Seven have an average monthly output of 125 tons or over, and export their surplus stock. The expansion of this export trade both in sawn lumber and peeler logs to Australia, China, South Africa and the United Kingdom has greatly increased owing to improved shipping facilities. There are seven timber enterprises under European management, established or in the process of initiation. With improved methods, it is estimated that the forests could produce a sustained yield of 15,000,000 cubic feet of sawn timber per annum.

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* Report on Potentialities for the Production of Cocoa in Malaya, Sarawak and North Borneo by E. E. Cheeseman, D.Sc., A.R.C.S.

The following figures show the total production of timber and the quantity exported during 1948–1953 :—

TIMBER PRODUCTION AND EXPORTS, 1948–53
(Tons)

Year	Production	Exports	
		Logs	Sawn
1948.. ..	41,781*	11,487	9,641
1949.. ..	70,136*	25,947	10,660
1950.. ..	79,054	26,513	17,620
1951.. ..	101,775	39,132	15,396
1952.. ..	191,616	70,704	27,605
1953.. ..	332,000	106,692	49,002

* Converted at the rate of 50 cubic feet = 1 ton.

Of the 98,309 tons of timber exported in 1952, 40,856 tons went to Hong Kong and 35,773 tons to the United Kingdom.

There has been an expansion of the firewood trade due to the development of an export market with Hong Kong. Four hundred and ninety tons of firewood and 252 tons of charcoal were exported in 1951.

Minor Forest Produce.—The principal minor forest products, all of which are exported, are wild rubbers, canes (rotan) and resins (damar). Of these the most important is jelutong, a wild rubber used extensively in the manufacture of chewing gum. It is collected by crude methods of tapping and coagulated with acetic or phosphoric acids. Sarawak canes are used for the handles of cricket bats, over 200,000 being exported in 1951.

Irregularly at intervals of three to four years, various Shorea spp. produce a heavy crop of Illipe nuts, known vernacularly as Engkabang. The kernels are exported and produce a valuable vegetable tallow used in the manufacture of confectionery and cosmetics.

There is also a considerable internal trade in roofing thatch (atap) and walling (kajang) made from the leaves of the Nipah palm which is abundant in the coastal swamps.

Fisheries

Freshwater fisheries on a small scale are maintained by Chinese smallholders near the towns. The sea fisheries are mainly coastal and are worked usually by small syndicates. Most of the fishermen are Chinese, Melanaus or Malays.

Despite the fact that many of the people in the coast depend on fishing for their livelihood, the Colony is by no means self-supporting in this commodity which plays a large part in the national diet. Most of the fishing is carried out by primitive methods, although these are often most suitable to local conditions and are carried out with a great deal of skill. The methods of drying, curing and marketing are, however, often wasteful and inefficient. The improvement of the fishing industry is, therefore, an important item in the development of the Colony. A recent survey suggests, however, that there are not the concentrations of fish in Sarawak waters to justify large-scale fishing.

There are over 30 fishing villages in the bay of Sarawak between Cape Datu and Cape Sirik and as far as Matu. The nearest ones supply the markets in Kuching and Sibu but many of them sell the catch to Chinese fish dealers who turn it into salt fish. These dealers either own the fishing gear and hire Malays to work, or buy the catches from Malays. Nearly 200 Chinese fishing vessels using drift nets go out from Kuching ; there are over 30 fishing stakes off Kabong which, with inshore beach seines and large prawn fisheries, form the main types of fisheries. There are 25 different kinds of fishing gear in use, and the replacement value of these amounts to about $600,000. Fishermen number 3,261 and, converting the salt fish to fresh, the estimated annual catch is 3,300 tons, making one ton of fish caught annually for each fisherman.

The principal fishing season usually lasts from May to September, with a peak in July and August, but the season for prawns and shrimps runs from September to May through the monsoon.

The main fishing grounds for drift net fishing lie between the mouths of the Kuching and Rejang Rivers in 10–12 fathoms. The shallow banks off the mouths of the Kabong and Matu Rivers lend themselves to fishing stakes, and the prawn fisheries are close inshore near the estuaries of the Batang Lupar and Rejang Rivers.

The transport of fish to markets is the greatest difficulty, many fish carriers come from as far away as Singapore, and there is considerable need for improvement in the Sarawak carrier fleet.

Minerals

The mineral resources of Sarawak comprise oil, gold, antimony, coal, mercury, diamonds, limestone used for lime manufacture and possibly suitable for cement, clay used for bricks and some types of pottery, building stone and phosphates. Small occurrences of silver, lead, copper, gypsum and iron ore have been recorded, sapphires are known to have been found, and salt is worked by native methods in the interior ; bauxite has recently been discovered. Oil is produced by modern methods. Six Chinese mines produce gold ; fossicking is carried out on one mercury deposit ; lime, bricks and phosphates are produced on a small scale and stone is quarried. The oilfields of north-east Sarawak and the gold in the west are the mineral deposits that have received the closest examination, but in common with the other minerals, a large amount of work remains to be carried out before the potentialities are known. Mineral occurrences, particularly of gold, coal, antimony and mercury, are widely reported ; but the limited information available indicates that it is doubtful if they would repay working at the present stage in the country's development, as the deposits appear to be small or difficult of access. Investigation is, however, being undertaken by the Geological Survey Department.

Minerals have played an important part in Sarawak's development. From 1823 onwards, when it was discovered that antimony ore had a ready market in the newly-established trading centre of Singapore, they have figured prominently in the country's economy. Until about 1885, antimony was generally the most important mineral produced and, in the early days, often Sarawak's leading export. Mercury was the leading mineral product for five of the six years between 1874 and 1879 inclusive, but after 1887 output declined and became negligible ten years later. Coal was the main mineral export between 1889 and 1898, after which gold took its place and headed the list continuously from 1899 until 1920. From this time onwards oil has been the leading mineral export.

Government policy is to try and foster mining. A Mining Ordinance (No. 14 of 1949) has been enacted. Two types of prospecting licences are issued ; (*a*) general, and (*b*) exclusive. The former is for prospecting over a particular district, while the latter applies to a specific surveyed area of land, for a limited period, during which time the holder has first option to take out a mining lease.

A mining lease is issued for a period of 21 years under the conditions laid down in the Mining Ordinance. A sum of $2,000 must be deposited during the currency of the lease as a guarantee of rent payments and other obligations.

In 1950, prospecting licences for bauxite in west Sarawak were granted to the British Aluminium Company Limited, and for gold to Anglo-Oriental (Malaya) Limited. In the Sematan area about 5,500,000 tons of bauxite are believed to be capable of economic working. Oil rights are held by the Sarawak Oilfields Limited.

Oil.—Geological investigations for oil on behalf of the Royal Dutch-Shell Group were first made in 1909 and oil was struck in September, 1910. The Sarawak Oilfields Limited, with a capital of £500,000, was then formed, and the first export of oil was made in 1913. Production has been continuous except during the period of the Japanese occupation.

Almost all the oil is obtained from sands of the Upper and Middle Miocene series, and comes from wells between 300 and 3,050 feet in depth in the Miri area. This oilfield is now in a mature stage of its life, production (see table below) having decreased from 200,000 tons pre-war to about 50,000 tons per annum.

Recent geological and geophysical investigations indicate that oil reservoirs may be located at Bulak Setap and in the Subis River area. Anticipating large-scale success, the oil company is building a road from the coast to Bulak Setap through the difficult terrain of the Lambir Hills.

All the oil is piped to Lutong where the company maintains a refinery and tank facilities and the refined oil is exported to all parts of the world.

PRODUCTION OF CRUDE PETROLEUM

Year	Long Tons
1938	199,584
1945	Not available
1946	1,000
1947	23,964
1948	46,597
1949	56,752
1950	56,601
1951	51,702
1952	49,944
1953	49,057

A considerable quantity of crude oil is imported from the Seria oilfield in Brunei for refining at Lutong or for export in crude form.

Gold.—Gold has been recorded in a number of widely separated areas in Sarawak. The best known deposits in the Bau district of Upper Sarawak have been the source of practically all the gold produced, output from other localities being small and derived almost entirely from native alluvial washings. The main occurrences outside Upper Sarawak are Marup on the Batang Lupar River, Sarikei on the Rejang River, Melikin on the Sadong River and Sirin on the Samarahan River.

The recorded export and production of gold from 1864 tp 1953 inclusive is 1·3 million troy ounces. The stated value is 38·3 million, comprising exports between 1864 and 1926 and production from 1929 to 1953 (exclusive of 2,714 ounces of unknown value obtained during the Japanese occupation). The total revenue paid to the Sarawak Government has been over $2,500,000, comprising royalty, first levied in 1896, and rents and licence fees first recorded as being paid in 1932.

The most flourishing period of Sarawak gold production was from 1899 to 1921 inclusive when 983,255 ounces of gold, valued at $25,995,222 were produced and gave a direct revenue of $1,466,462. This output is 81 per cent of the country's recorded gold production during the last 85 years and was obtained in 22 years. This prosperous period of mining followed the introduction of the cyanide method of gold extraction in 1899 by the Borneo Company Limited, and the adoption of this method to suit the local gold ore ; the enterprise closed down in 1922. Small-scale operations by Chinese miners followed, and the period between 1933 and 1939 saw a brief revival of the industry, output reaching a peak in 1934 and 1935 with production exceeding 28,000 ounces yearly. Since the liberation of the country in 1945 there has been a very small gold production. In 1953, four mines were operating, but rehabilitation has been slow and the rise in working costs without a corresponding increase in the official price of gold has hindered development.

The following are production figures for 1947–53 (1938 is given for comparison) :—

GOLD PRODUCTION

Year	Fine oz.	Value $	Royalty $
1938 . .	18,520	1,113,918	119,975
1947 . .	389	26,666	454
1948 . .	599	41,061	1,665
1949 . .	1,523	127,649	3,330
1950 . .	1,440	117,580	5,879
1951 . .	931	73,780	3,689
1952 . .	898	90,433	. .
1953 . .	442	44,528	2,262

Antimony.—The antimony deposits consist mostly of the sulphide, stibnite, which has been recorded at a number of widely separated localities. The main deposits are situated in Upper Sarawak, and this area has been the main source of ore production ; other occurrences have been reported at Lundu, Samaraham, Sadong, the Batang Lupar, Sarikei, Bintulu and the Upper Rajang.

Antimony ore, which was discovered in 1823, played an important part in Sarawak's early history, and after 1840 production soon rose to about 1,500 tons annually and the country became the chief source of European supply. The maximum output was in 1872, but the records are conflicting on the amount of ore obtained then, and vary from 2,322 tons to 3,288 tons. In 1885 production declined, but continued with fluctuations until 1907, since when only small quantities of antimony ore have been obtained at irregular intervals. Four tons were produced in 1950, since which time mining has ceased.

Coal.—Coal has been recorded at many localities in Sarawak ; the best known deposits are at Sadong, the Silantek-Abok area, the Bintula area and Muka. Other occurrences are known at such widely separated places as Gunong Undan in West Sarawak ; the Iran, Merit-Pila and Melinau areas in the Upper Rajang ; Mount Dulit and Patan in the Baram River drainage basin, and the Limbang valley in East Sarawak. Certain deposits are reported to contain coal of good quality, but some of the main obstacles to development in the past appear to have been inaccessibility, competition from coal exported from Europe, and the small market in the country itself. Production in 1950 was 22 tons.

A survey of a bituminous coal area in West Sarawak was made in 1953, and it showed that there were deposits of about 3,500,000 tons which might be mined. A group of Japanese firms inquired about the mining of this deposit.

Mercury.—Mercury occurs mainly as the sulphide, cinnabar, although small amounts of the metal itself have been recorded. The main deposits are in Upper Sarawak where it was mined at Tegora and Gading ; the ore has, however, also been found in East Sarawak in the Long Suba area on the Baram River.

The main period of production was between 1870 and 1899, when it is recorded that $1,159,966 worth of mercury was exported ; in 1877, the year of maximum output, approximately 3,000 flasks, each of 76 lb. of mercury, were obtained. The output decreased and stopped after 1889, although since that date there has occasionally been a small production, e.g., in 1908 and 1909. During the Japanese occupation, records show that 103 flasks of mercury were obtained, but this mining appears to have been governed by strategic necessity rather than the promise of economic success.

Guano deposits occur in the Niah Caves at Bukit Subis in the north-east, and 649 tons were extracted in 1951, 696 tons in 1952, and 632 tons in 1953. The total deposits in these cases are estimated at about 29,000 tons and smaller amounts have been located elsewhere.

Manufactures

The major industry in Sarawak is the refining of oil. Much of the oil produced in Brunei and Sarawak is refined at Lutong in the Fourth Division.

REFINED OIL PRODUCTION, 1946–53
(Long Tons)

Year	Imports of Crude Oil	Production of Refined Oil
1946	232,068	7,515*
1947	1,689,965	1,081,252
1948	2,641,516	1,653,060
1949	3,290,439	1,711,808
1950	4,057,463	1,854,615
1951	4,895,640	1,934,856
1952	4,990,194	2,087,109
1953	4,798,933	2,246,856

* December only.

The refinery was severely damaged during the war, but it has since been repaired. A completely new refinery has also been erected since the war. The main products are diesel oil, motor spirit, and small quantities of high-speed diesel oil. Output in 1953 included 523,770 tons of motor spirit, 303 tons of kerosene, and 1,722,783 tons of gas, diesel and fuel oils.

The Island Trading Company, at Selalang in the Third Division, manufactures cutch (a tanning extract) from the mangrove bark. 70 tons were exported in 1953.

The Raga Chemical Works at Pending, near Kuching, manufacture acetic acid, alcohol and wine.

There are also a few minor industries such as the manufacture of matches, pottery, vermicelli, aerated waters and the curing of fish on a small scale.

The only factories other than oil and cutch are connected with the production of sawn timber and sago flour industries employing, at the time of the 1947 census, 1,497 and 9,980 persons respectively. General manufactures including brick-making, vegetable oil extraction, soap making and other minor products, are organised on lines which approximate more closely to a cottage industry than to a factory system, although in 1953 a factory was established and equipped with up-to-date machinery for the production of crude and refined vegetable oil and the manufacture of soap and fertilisers.

Village Industries.—Some of the local population weave their own cloth and manufacture tools from iron. Baskets of different types for carrying produce and large bins for storing padi are also made. Some finer and attractive baskets and decorated sun hats are made and find sale as souvenirs. There is no extensive trade in these articles.

Other Economic Activities

Tourist Industry.—There is a limited tourist traffic to Kuching from Singapore and Malaya.

Distributive Trade

The firms engaged in the commerce of the Colony fall into two main groups: a few agency houses, and a large number of Chinese merchants. The agency houses are European firms importing from the United Kingdom, Singapore, or other countries proprietary articles for which they are the sole distributors. In addition to the sale of goods, these firms conduct insurance and other business, and also engage in the purchase and export of produce in competition with the Chinese merchants. The Chinese merchants engage in the wholesale and retail distribution of goods and the purchase of local produce. Some act as agency houses, but on a much smaller scale than do the European firms.

The importation of goods from the United Kingdom and other distant sources is almost entirely left to the few European firms, but practically the whole trade of the country passes, at some stage or other, through the hands of the Chinese merchants, large or small. In the larger towns and bazaars there are some shops which engage solely in the sale of goods for cash, but many combine this with the purchase of rubber and other produce. The sundry goods which they have for sale will include a great variety of oriental foodstuffs: sharks' fins, birds' nests, salted squids, prawn-paste and dried fish, as well as all kinds of spices, fruits and vegetables, fresh, dried and preserved.

Most imported goods are drawn from bulk supplies held by Singapore merchants, or from the large Singapore distribution depots. Similarly, most of the general produce of the country finds its way to Singapore for sorting, grading, bulking and re-export, although shipments of sago to Europe and rubber to America have now become more frequent.

The more important Chinese shops in the towns are usually linked with firms in Singapore, which keep them supplied with goods and receive their produce. Similarly the Chinese firms in the towns have their associates in up-river and coastal bazaars whom they supply with goods. In return they receive the rubber and jungle produce, which has been obtained by sale or barter. Such jungle produce consists chiefly of rattan cane, damar and various types of guttas. Most of the jungle produce comes from remote districts where the needs of the natives, other than those which they can themselves supply, are very few.

Very little local weaving is now done, so that imported cloth has become a virtual necessity. Apart from this, in some places far from the towns, very little more is bought by the natives than salt, oil for lighting and cooking, and iron for the manufacture of tools and weapons. It is interesting to note, however, how great is the variety of goods normally to be found even in the remotest bazaar.

Professions

The 1947 census showed a total of 1,533 (3 per cent of the population) in the professional class, as follows:—

Private Medical Practitioners	13
Other " "	64
Dentists	100
Medical Assistants	124
*Private Teachers	930
Certified Midwives	27
Ministers of Religion	236
Miscellaneous	59
	1,533

Employment and Labour Supply

Local Employment

The most important occupation in Sarawak is agriculture. Out of the 51 per cent of the population in some kind of gainful employment at the time of the 1947 census, 45 per cent were engaged in agriculture. The following table shows the occupations followed at the time of the 1947 census:—

Occupation	*Persons*	*Percentage of Total Population*
Fishing	4,832	·9
Mixed agriculture	212,647	39·0
Rubber production	19,882	3·6
Sago production	9,980	1·8
Jelutong production	772	·1
Cutch production	269	·1
Timber production	1,543	·3
Building construction	1,539	·3
Gold mining	145	—
Mineral oil production	1,847	·3
General manufacture	2,153	·4
Vegetable oil extraction and manufacture	324	·1
Blacksmithing	194	—
Boat building	193	—
Electricity supply	127	—
Land transport	675	·1
Sea or river transport	2,243	·4
Commerce	9,785	1·8
Banking	57	—
Pawnbroking	14	—
Government service	4,871	·9
Profession	1,553	·3
Entertainments	153	—
Personal services	661	·1
Catering	2,936	·5
Domestic services	57,322	10·6
Nomadic punans	1,833	·3
Unemployed children, excluding students	162,495	29·8
Students	30,295	5·6
Others, including no occupation	15,045	2·7
Total population	546,385	100·0

Only a small proportion of the population are wage-earners, by far the greater number being self-employed. For example, only about one-half of one per cent of those engaged in agriculture at the time of the 1947 census were returned as labourers. The bulk of the indigenous population consists of peasant proprietors who seek outside wage-earning employment only as a seasonal occupation to supplement the earnings from their smallholdings.

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* At the end of 1947 Government employed 109 who are not included in this figure.

There are two large employers of labour—the Government and the Sarawak Oilfields Limited, Miri. The former employs in all its branches 4,800 persons, while the latter employ some 2,000.

Technical training is carried out by a number of Government Departments. The Brooke Dockyard has 18 apprentices, while the agricultural and public works departments also employ over 200 trainees. The Sarawak Oilfields run a Trade School at Lutong to cater for boys between 14 and 17 years of age with the object of preparing them for technical posts on the company's staff.

There are three European-owned rubber estates employing some 625 persons in all; most of these are Javanese. Direct employment by the timber and jelutong concerns scattered throughout Sarawak is relatively small, most of the produce being supplied on contract by native labour working from their own homes and in their own time.

Chinese labourers, in addition to those employed by Government and the oilfields, are mainly occupied in the distributive trades and as rubber tappers on small Chinese owned estates, which seldom employ more than 25 tappers.

There are in addition some small factories in and around Kuching manufacturing sago, soap, matches, etc., all employing very small numbers of Chinese labourers. There is no large-scale industry other than the oilfields.

During the Japanese occupation the gold mines at Bau closed down and have not generally reopened; pepper gardens also were almost universally abandoned during that period. This resulted in unsettlement of labour and subsequent " squatting " on land held by natives under communal land rights. This problem has now been partially eased by the recruitment in the First Division of Chinese labour for employment on the Darvel tobacco estates in North Borneo. This recruitment has been supervised by the Labour Protectorate. The high level of activity in the oilfields and other sectors of the economy has led to conditions of labour shortage for both skilled and unskilled workers. There has been some scarcity of labour on the European owned rubber estates, but in the industry as a whole the supply is adequate, as most of it is carried on by smallholders working themselves and with their families. Where shortages do exist, especially in the timber and oil industries, some workers have been imported, and proposals are under consideration to recruit labour from India and Hong Kong. There is little other migration of labour in Sarawak. Total migration figures are given above, p. 132.

Reliable statistics of wage rates and hours of work are not available. Estimated rates of wages of tappers on rubber estates at the end of 1952 were about $3.42 per day, with contract tappers working on smallholdings earning up to $200·00 per month. Earnings in the rubber industry, however, have declined and by 1953 rubber tappers were earning about $2·52 per day. Wages on sago estates were roughly $2·73 per day.

Basic rates in the oilfields in 1952 were:—

	Daily $
Unskilled	2·85
Semi-skilled	4·25
Skilled	5·80

In 1953 oilfield wages had risen to about $6.60 for skilled men and about $4·08 for unskilled.

WORKERS EMPLOYED IN INDUSTRIAL ESTABLISHMENTS, 1950

Type of Industry	*No.*
Oilfields	1,894
Rubber estates	1,799
Sawmills	1,088
Sago factories	319
Cutch factories	737
Match factory	274
Power stations	70
Logging	1,186
Rubber godown workers	242
Rice milling	80
Confectioneries and biscuit factories ..	108
Rubber scrap and oil mining	151
Printing presses	143
Gold mining	231
Machine shops	79
Blacksmiths	28
Aerated water factories	40
Brick works	41
Wharf labourers	517
Arrack farm	19
Total	8,966

The number of registered Trade Unions in 1953 was 21, with a total membership of 3,524. These have all been formed since 1948 and cover a wide range of employees, the largest being the Government Asian Officers Union with some 1,500 members. The older unions are fairly well established, and are consolidating their membership, but some of the more recently established bodies are too small as yet to be very effective.

Co-operative Movement

The co-operative system was first introduced into the Colony in 1949 when a Co-operative Development Department was established. Indications are that the scope for development along these lines is considerable, and interest shown by the people is greatly in excess of what the Department is at present able to cope with. In 1951 the total number of societies of all types was 63 while by the end of 1953 the number had risen to 123. In the same period membership has risen from 5,400 to over 8,000, and deposits, share capital and reserves have more than doubled.

Since its inception, the Department's principal aim has been to train staff, but, simultaneously, the organisation of societies and dissemination of propaganda has progressed and demonstration co-operatives have been

CO-OPERATIVE SOCIETIES, 1953

Type	*No. of Societies*	*Members*	*Deposits* $	*Share Capital* $	*Reserve Funds* $
Thrift and Credit Societies with unlimited liability (excluding Padi Savings Societies)	26	750	18,357	—	2,625
Padi Savings Societies with unlimited liability ..	2	91	3,638	—	1,016
Thrift and Credit Societies with limited liability (excluding Padi Savings Societies)	3	1,117	141,931	—	2,082
Padi Savings Societies with limited liability	16	367	5,614	—	179
Thrift (Savings) Societies	26	782	56,858	—	2,401
Consumer Societies	22	3,581	2,311	121,319	18,578
Producer Marketing and Processing Societies ..	22	932	—	91,085	2,873
Others	6	399	51,303	51,020	2,398
Total	123	8,019	280,012	263,424	32,152

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* Not including padi deposits, valued at $2,409.

established in selected areas, viz., the Kuching, Saribas and Oya-Dalat districts, etc.

Preparations to form a Co-operative Central Bank came to fruition in October, 1953, when meetings were held with the representatives of 83 Societies gathered in Kuching. The Bank was registered on the 5th October, and by the end of the year membership had risen to 90 Societies.

Fuel and Power (including Water Supplies)

Electricity

The Sarawak Electricity Supply Company Limited is responsible for the lighting and power services throughout the Colony. This company was formed in 1932 to take over the Government supply stations at Kuching, Sibu and Mukah. Since 1953 the Government has held all the shares in the company which is managed by Messrs. United Engineers Limited of Singapore.

Due to neglect and lack of maintenance during enemy occupation, generating stations at Kuching, Sibu, Mukah, Sarikei, Binatang, Simanggang and Bintulu, all of which were powered by diesel plant, were in very bad condition. These stations are now being restored and the standard of supply to the public is gradually improving. A considerable amount of new generating plant has been installed and both demand and capacity are rising steadily.

Diesel-engine generating stations are operated by the company in the following towns :—

Towns	*Plant Capacity*	*Hours of Supply*
Kuching	A.C. 1,860 kVA.	Continuous
Sibu	A.C. 450 kVA.	,,
	D.C. 62·5 kW.	,,
Binatang	D.C. 43 kW.	6 p.m. to 6 a.m.
Sarikei	D.C. 72 kW.	,, ,,
Simanggang	D.C. 25 kW.	,, ,,
Mukah	D.C. 47 kW.	,, ,,
Miri	D.C. 430 kW.	,, ,,
Bintulu	D.C. 44 kW.	,, ,,
Betong	D.C. 18 kW.	,, ,,
Bau	A.C. 31·5 kVA.	,, ,,
Limbang	A.C. 31·5 kVA.	,, ,,
Kanowit	A.C. 31·5 kVA.	,, ,,
Mandi	A.C. 31·5 kVA.	,, ,,
10th Mile Bazaar	A.C. 16·5 kVA.	,, ,,

The standard voltage for direct current throughout the Colony is 460 volts for power and 230 volts for lighting.

The standards for alternating current throughout the Colony are 400 volt, three-phase, 50 cycles for power, and 230 volt, single-phase, 50 cycles for lighting.

Gas

A supply of natural gas from the oilfields at Serian has been installed and services are being provided to the bazaar area and to Government quarters.

Water Supplies

In the town of Kuching, a gravity supply of water is obtained from a series of intakes in the Matang Hills about 10 miles from the town, which feed into storage tanks having a capacity of 3,600,000 gallons. Daily consumption averages nearly 1,500,000 gallons, but the potential demand is probably much greater. A new source of supply capable of providing up to 3,000,000 gallons per day of treated water is being provided from the Sarawak River about 11 miles from the town. This, which will be provided by pumps, will augment the present supply which is subject to periodical shortages.

In Sibu there is a pumped supply from the Rejang River which passes through a purification plant and thence to a high level tank holding about 80,000 gallons. Average daily consumption is over 400,000 gallons. Supplies of water are carried by barge from Sibu to some of the down river townships.

At Miri the town is supplied from the Sarawak oilfields system which, however, cannot meet all the demands placed upon it. A combined scheme by the company and Government is being prepared whereby the former will provide mains and pumping gear while the latter undertakes the distribution of supplies.

There are small gravity supplies at Bau, Simunjan, Bintulu and Limbang.

III. FINANCE AND TRADE

Public Finance

The following figures (in dollars) indicate the steady growth of the revenue and expenditure of Government:—

Year	*Revenue* $	*Expenditure* $	*Surplus* $	*Deficit* $
1877	185,552	169,769	15,783	—
1887	350,813	366,541	—	15,728
1897	564,789	504,101	60,688	—
1907	1,441,195	1,359,273	81,922	—
1917	1,705,292	1,395,746	309,546	—
1927	6,243,066	5,764,318	478,748	—
—	—	—	—	—
1933	3,558,580	3,549,074	9,506	—
1934	4,820,546	3,828,872	991,674	—
1935	5,087,244	4,222,702	864,542	—
1936	5,494,069	4,406,230	1,087,839	—
1937	4,801,236	4,104,082	697,154	—
1938	4,261,899	4,272,140	—	10,241
1939	4,762,532	4,200,269	562,263	—
1940	7,463,314	5,018,006	2,445,308	—
1946 (9 months)	5,569,690	6,046,990	—	477,300
1947	12,879,213	10,986,633	1,892,580	—
1948	15,316,032	12,592,606	2,723,426	—
1949	14,673,512	16,684,325	—	2,010,833
1950	30,170,616	16,536,529	13,634,087	—
1951	47,349,364	22,517,206	24,832,158	—
1952	54,266,009	28,724,480	25,541,529	—
1953	43,638,312	34,280,449	9,387,863	—
1954*	34,855,750	34,433,922	421,828	—

* Approved estimates.

The Colony has no public debt, but during 1953 advances amounting to $2·4 million were made from cash balances on account of loans to be raised for the development of electricity supplies.

Taxation

The Colony's revenue is derived mainly from Customs Duty, which comprised about 75 per cent of total intake until the introduction of income tax in 1950, when the proportion fell to about 50 per cent. Rates of import and export duty are shown above (pp. 136–137).

The system of collecting a Door and Head Tax, which began under the rule of the Rajahs of Sarawak, is still in existence. The former is levied on the apartment occupied by a single family, while the latter is applicable mainly to adult Malays and Melanaus. Where native Treasuries have been instituted these taxes are paid over to the authorities. $82,627 was collected in 1951. Excise duties are levied on locally manufactured wines and matches, and there is a duty on admission to all entertainments. Trade licence fees extend a simple form of direct taxation to certain sections of the community and they range from a fee of $2,500 for licence to carry on the business of a banker to $50 for conducting a small retail business.

ANALYSIS OF REVENUE, 1938, 1950–53

Head of Revenue	1938		1950		1951		1952		1953	
	$	%	$	%	$	%	$	%	$	%
Ordinary:										
Customs—										
Import Duties ..	1,834,274	43·0	8,705,457	28·9	12,309,962	26·0	10,258,571	18·9	11,931,885	27·3
Export Duties ..			13,937,061	46·2	23,799,623	50·3	12,947,750	23·9	10,791,293	24·7
Excise Duties ..			121,470	0·4	841,604	1·8	606,604	1·2	512,232	1·2
Licences, Taxes and Internal Revenue not otherwise classified	671,628	15·8	2,930,403	9·7	2,685,496	5·7	22,292,241	41·2	12,372,427	28·3
Reimbursements and Departmental Services	232,342	5·5	1,078,232	3·6	776,509	1·6	865,846	1·7	1,073,508	2·5
Land and Forests	471,276	11·1	918,222	3·0	1,014,151	2·1	1,336,003	2·6	1,700,368	3·9
Post and Telecommunications	133,210	3·1	506,136	1·6	584,950	1·2	664,384	1·3	859,148	2·0
Municipal	254,765	5·9	534,412	1·7	649,342	1·4	190,616	0·4	250,824	0·6
Rents of Government Properties	310,472	7·3	104,546	0·3	236,459	0·5	880,008	1·7	679,101	1·6
Interest	310,763	7·3	918,648	3·0	1,021,001	2·1	2,496,026	4·7	2,554,500	5·8
Marine	39,939	0·9	153,181	0·5	174,702	0·4	196,150	0·4	201,103	0·6
Total	4,258,669	99·9	29,907,768	99·1	44,093,799	93·0	53,221,889	98·0	42,966,299	98·3
Extraordinary:										
Land Sales	3,225	0·1	171,368	0·6	334,198	0·7	274,035	0·5	291,257	0·7
Rehabilitation Loans	—	—	91,480	0·3	126,986	0·3	220,180	0·4	122,082	0·3
War Damage Compensation..	—	—	—	—	1,444,381	3·1	569,905	1·1	285,711	0·7
Transfer of Sarawak Currency Funds	—	—	—	—	1,350,000	2·9	—	—	—	—
Grand Total	4,261,894	100·0	30,170,616	100·0	47,349,364	100·0	54,266,009	100·0	43,688,312	100·0

ANALYSIS OF EXPENDITURE, 1938, 1950–53

	1938		1950		1951		1952		1953	
	$	%	$	%	$	%	$	%	$	%
Ordinary:										
Pensions and Provident Funds	485,880	11·4	886,308	5·0	927,593	4·1	1,020,820	3·5	1,207,575	3·5
Rajah's Dependants	263,963	6·2	110,622	0·6	128,633	0·6	121,014	0·4	116,927	0·3
Defence..	—	—	140,872	0·8	66,747	0·3	52,277	0·2	93,243	0·3
Law and Order	464,811	10·9	1,396,735	7·9	2,203,404	9·9	3,126,632	10·9	3,511,212	10·2
Civil Administration—Central Government	782,105	18·3	2,332.646	13·2	1,830,220	8·1	2,373,753	8·2	4,840,022	14·1
Provincial Administration ..	624,182	14·6	1,726,477	9·7	2,649,759	11·8	3,396,048	11·8	973,475	2·8
Miscellaneous Services ..	138,377	3·2	2,322,929	13·1	1,580,098	7·0	1,682,675	5·8	2,637,294	7·7
Medical..	300,159	7·0	1,469,285	8·3	2,064,975	9·2	2,517,391	8·8	2,881,598	8·4
Survey and Lands	219,184	5·1	607,404	3·4	901,303	4·0	1,128,147	3·9	1,946,552	5·7
Forests	51,033	1·2	141,371	0·8	248,288	1·1	267,628	0·9	321,542	0·9
Agriculture	36,845	0·9	277,534	1·6	514,921	2·3	556,830	1·9	672,659	2·0
Public Works	689,602	16·1	1,152,485	6·5	879,237	3·9	1,407,630	4·9	1,746,213	5·1
„ „ Recurrent ..	—	—	536,178	3·0	674,107	3·0	840,980	2·8	1,174,526	3·4
Posts and Telegraphs	162,442	3·8	534,281	3·0	690,869	3·1	872,619	3·4	1,004,478	2·9
Social Welfare	12,193	0·2	62,619	0·4	79,673	0·4	110,129	0·4	25,709	0·1
Education	—	—	416,660	2·3	564,752	2·5	632,476	2·2	769,292	2·2
Immigration and Labour ..	45,831	1·1	63,955	0·4	99,991	0·4	148,909	0·5	164,612	0·5
Co-operative Development ..	—	—	40,516	0·2	83,013	0·3	102,150	0·3	128,842	0·4
Total	4,276,607	100·0	14,218,877	80·2	16,197,583	72·0	20,358,108	70·8	24,215,771	70·7
Extraordinary:										
Sociological Research.. ..	—	—	13,636	0·1	—	—	—	—	—	—
Public Works	—	—	1,933,246	10·8	1,030,086	4·6	1,824,601	6·4	1,156,448	3·4
War Damage Claims	—	—	50,132	0·3	1,476,237	6·6	3,036,718	10·6	8,230	—
Loss on Sale of Investment ..	—	—	2,351	—	45,594	—	5,053	—	—	—
Rehabilitation Loans	—	—	170,557	1·0	—	—	—	—	—	—
National Registration.. ..	—	—	147,730	0·8	3,572	—	—	—	—	—
Development	—	—	—	—	3,774,135	16·8	3,500,000	12·2	8,900,000*	—
Total	4,276,607	100·0	16,536,074	100·0	22,517,207	100·0	28,724,480	100·0	34,280,449	100·0

* i.e., Contribution to Development Fund.

Estate duty, revised in 1948, is chargeable at the following rates :—

	$		$		%
Where value exceeds	1,000	but not	3,000	..	1
,, ,, ,,	3,000	,,	5,000	..	1½
,, ,, ,,	5,000	,,	7,500	..	2½
,, ,, ,,	7,500	,,	10,000	..	3½
,, ,, ,,	10,000	,,	20,000	..	5
,, ,, ,,	20,000	,,	40,000	..	7½
,, ,, ,,	40,000	,,	70,000	..	10
,, ,, ,,	70,000	,,	100,000	..	15
	over $100,000		..	..	20

Income tax on companies was introduced in 1950 and was levied at a rate of 20 per cent until the beginning of 1953, when it was raised to 30 per cent. At present no income tax is levied on personal incomes. In 1950 the amount raised by this tax was $65,769, in 1951 $233,819, in 1952 $19,690,918 and $9,613,249 in 1953. The tax was estimated to produce $9,320,000 in 1953 and about $7,000,000 in 1954. The large amount collected in 1952 was the result of the collection of arrears of tax relating to earnings in two previous years.

As a result of the large revenue surpluses of recent years Sarawak's reserve position is very strong and at the end of 1953 amounted to over $64,000,000. Some part of this is to be devoted to the financing of the Development Programme, but about $25,000,000 will be retained as a reserve.

The figures in the table below show the amounts of local government revenue and expenditure which passed through the Colony's ordinary budget. Some of the variations from year to year are due to the reclassifying of items and do not necessarily represent equivalent changes in the total amount of money collected and spent by, or on behalf of the local authority. For example, the drop in Kuching's expenditure after 1948 was due to the transfer of items to the Public Works Extraordinary head of the budget. Also after 1952 Kuching's status changed from that of a Municipal Board to being a Municipal Council, and the authority was given a degree of financial autonomy although still receiving grants ($736,879 in 1953) from the central government.

Local Government

REVENUE AND EXPENDITURE

Year	*Revenue*		*Expenditure*		*Surplus Out-stations* $	*Deficit Kuching* $
	Out-stations $	*Kuching* $	*Out-stations* $	*Kuching* $		
1948 ..	314,237	343,897	151,455	821,411	162,782	477,514
1949 ..	252,333	225,585	129,179	262,272	123,154	36,687
1950 ..	284,541	249,871	148,326	335,813	136,215	85,942
1951 ..	464,078	236,459	210,525	410,046	253,553	173,587
1952 ..	190,616	487,690	176,918	864,473	13,698	376,775
1953† ..	239,220	--	215,539	736,879	23,681	736,879

† Revised estimate.

Grants to Local Authorities consist of a transfer of all Head tax collected and a further grant of five times that amount. Main items of expenditure relate to maintenance of the municipal area and sanitation.

Currency and Banking

Since the conclusion of the war, Malayan currency has been issued in Sarawak, in the first instance to provide a common currency for the three British Borneo Territories during the Military Administration. No new issue of Sarawak currency has been made since re-occupation and none is intended. Until the beginning of 1953, Malayan, Sarawak and British North Borneo (Chartered Company) currencies were legal tender in Sarawak, after which time the only notes and coins legally recognised were those issued by the Board of Commissioners of Currency, Malaya and British Borneo.

Sarawak currency is gradually being withdrawn from circulation and is being replaced by Malayan currency. So far as is known there is no British North Borneo currency in circulation in Sarawak. The remaining Sarawak currency in circulation is covered by gilt-edge securities in the London market. The Malayan and the Sarawak dollar is valued at two shillings and fourpence (2s. 4d.).

The following table shows the approximate amount of Malayan and Sarawak currency in circulation in the territory since 1947 :—

CURRENCY IN CIRCULATION, 1947–53
($'000)

Year	*Malayan*	*Sarawak*	*Total*
1947	9,000	6,000	15,000
1948	11,500	4,000	15,500
1949	13,500	2,500	16,000
1950	32,200	1,800	34 000
1951	38,700	1,600	40,300
1952	31,800	800	32,600
1953	28,561	758	29,319

For further details of the Malayan currency, see Appendix 4, page 159.

Banking facilities in Sarawak are provided by the Chartered Bank of India, Australia and China in Kuching, Sibu and Miri, and the Overseas Chinese Banking Corporation in Kuching.

In addition there are four small Chinese trading banks in Sarawak : the Bian Chiang Bank, the Kwong Lee Bank, the Wah Tat Bank, and the Hock Hua Bank.

Post Office Savings Bank

The number of depositors in the Post Office Savings Bank at the end of 1953 was 6,085 compared with 5,424 at the end of 1952. The amount of credit to depositors was $3,074,770·67 as against $3,102,976·37 in 1952 During the year withdrawals exceeded deposits by $133,930·62.

VALUE OF IMPORTS BY CLASSES

Commodity	1938 $	1949 $	1950 $	1951 $	1952 $	1953 $
Foodstuffs	5,973,006	19,414,554	32,372,183	51,513,562	48,182,330	43,723,000
Textiles, wearing apparel, etc.	1,074,112	5,342,172	15,077,527	13,933,150	6,246,300	7,768,000
Petroleum, crude and refined	6,793,534	62,615,909	202,348,152	267,067,229	275,391,485	269,296,000
Tobacco	1,627,302	5,003,112	6,534,368	9,654,841	6,549,444	6,803,000
Manufactured goods and sundries	6,903,985	17,593,713	32,998,474	41,576,675	46,576,394	67,322,000
Totals	22,371,939	109,969,460	289,330,704	383,745,457	382,945,953	394,912,000

Private Investment

The oil company is the only large industrial concern in Sarawak, and apart from this there are only about a dozen registered companies operating in the Colony. They include firms dealing in insurance, timber, merchandising and mining. There has been some private investment in a local public bus service, and a new hotel under private ownership is being erected in Kuching.

Cost of Living

No cost of living indices are available for an earlier date than 1950. Since then, the index (August, 1950 = 100) rose to 142 at the beginning of 1952, but tended to fall after that date. In December, 1953, it stood at 137. Prices of certain representative commodites during 1953 were as follows:—

	$	
Rice	2·43	per gantang
Flour	0·38	„ kati
Fats	1·20	„ „
White sugar	0·36	„ „
Meat	2·49	„ „
Fish	1·24	„ „
Vegetables	0·54	„ „
Milk	0·68	„ tin
Eggs	0·20	each
Tea	3·68	per lb.
Coffee	2·60	„ kati

1 kati = 1⅓ lb.
1 gantang = 6 katis.

Balance of Trade

As the table overleaf shows, Sarawak's principal exports are crude and refined oil, which respectively accounted for 44·2% and 26·1% of the total value of exports in 1953, rubber, which accounted for a further 7·5%, and pepper, which accounted for 11·6%, these four items between them accounting for 187·7% of the total value of exports in 1953. Most of the crude oil exported is imported from Brunei. Of exports of refined oil in 1952, diesel oil (other than gas, or high speed diesel oil) amounted to about 1,475,306 tons, valued at $77,744,939 (excluding 109,843 tons valued at $6,174,301 for bunkers), motor spirit to about 283,262 tons valued at $26,878,013 and gas oil to 6,277 tons valued at $1,470,419.

EXPORTS AND IMPORTS, 1934–53

Year	*Exports*	*Imports*	*Surplus*	*Deficit*
	$	$	$	$
1934 ..	21,458,033	13,959,440	7,498,593	—
1935 ..	21,109,264	16,484,079	4,625,185	—
1936 ..	24,557,851	18,261,535	6,296,316	—
1937 ..	32,691,247	22,899,415	9,791,832	—
1938 ..	26,135,097	22,371,939	3,763,158	—
1939 ..	34,379,748	26,173,420	8,206,328	—
1940 ..	45,770,407	32,645,192	13,125,215	—
1941–45		Not available		
1946* ..	27,558,673	28,796,092	—	1,237,419
1947 ..	103,138,575	72,254,705	30,883,870	—
1948 ..	171,250,887	98,769,885	72,481,002	—
1949 ..	189,628,559	109,969,460	79,659,099	—
1950 ..	374,586,491	289,330,704	85,255,787	—
1951 ..	508,349,436	383,745,457	124,603,889	—
1952 ..	438,563,317	382,945,953	55,617,364	—
1953 ..	424,728,257	394,912,338	29,815,919	

* 1946 refers to the 8½ months period of Civil Administration, 15th April to 31st December, 1946.

The apparently very favourable trade balances may be somewhat misleading; Sarawak's exports and re-exports of petroleum account for more than half of total exports, Brunei crude oil being piped into Sarawak for refining and exported from Sarawak, together with Sarawak produced and refined oil.

Taking 1953 figures, if the value of imports and exports of all crude oil was disregarded, the balance of trade would show an *import* surplus of $5,287,940 compared with an *export* surplus of $19,240,667 in 1952.

The continued rise in the level of imports is, to a large extent, a reflection of the increased capital which is being invested by both Government and private industry in their development programmes.

In May, 1953, it was found possible to lift the prohibition on imports except under licence for the local territories of Singapore, the Federation of Malaya, North Borneo and Brunei. The exceptions to the Open General Licence included quota foodstuffs still in short supply and rubber coagulants. Restrictions on export to these territories for the major items of Sarawak produce were lifted at the same time, the notable exception to the export Open General Licence being sago, export of which is subject to the provisions of the Sago Flour Ordinance of 1948.

Imports from Sterling Area and O.E.E.C. countries are now on Open General Licence, but there are still restrictions on imports from Japan and American account countries.

The greater part of Sarawak's trade passes through the entrepôt of Singapore, and it is, therefore, not possible to determine the final destination to which exports are sent, nor the original sources from which imports are derived. Notwithstanding this, however, a fair volume of trade is conducted directly with other countries and the tables below give some indication of its general pattern during 1952.

SARAWAK DIRECTION OF TRADE, 1952

Origin of Imports

Countries	*General Commodities* $	*Oil* $	*Total* $
Brunei	4,037,257	271,126,692	275,163,949
Singapore ..	77,361,043	—	77,361,043
United Kingdom	10,763,699	—	10,763,699
Thailand	5,843,055	—	5,843,055
Burma	4,805,841	—	4,805,841
Hong Kong ..	1,796,036	—	1,796,036
North Borneo ..	1,603,623	—	1,603,623
Australia	1,488,929	—	1,488,929
Indonesia	1,403,954	—	1,403,954
Other	2,715,824	—	2,715,824
Total ..	111,819,261	271,126,692	382,945,953

Destination of Exports

Countries	*General Commodities* $	*Oil* $	*Total* $
Singapore ..	89,329,761	92,202,215	181,531,976
Indonesia	367,003	117,685,369	118,052,372
Japan	553,345	36,513,405	37,066,750
Australia	1,009,954	23,344,308	24,352,262
United Kingdom ..	21,332,527	—	21,332,527
United States ..	1,520,024	11,876,500	13,396,524
Brunei	7,202,316	1,716,844	8 919,160
Ships' bunkers ..	—	6,174,301	6,174,301
Canada	409,863	5,373,697	5,783,560
Aden	5,414	5,736,841	5,742,255
New Zealand ..	271,047	2,917,241	3,188,288
Hong Kong ..	3,126,489	—	3,126,489
South Africa ..	121,547	1,995,331	2,116,878
North Borneo ..	1,701,636	154,508	1,856,144
Holland	1,190,656	—	1,190,656
Germany	1,149,018	—	1,149,018
Other	2,211,766	1,370,391*	3,582,157
Total ..	131,502,366	307,060,951	438,563,317

* The residual amounts of oil exported were sent to Ceylon ($778,519) and Egypt ($591,872).

IV. DEVELOPMENT

Government Activities and Plans

The main feature of Sarawak's development programme is the improvement of communications, which is essential if economic progress is to be made. At present the main arteries of communication in the country are the rivers, along the banks of which most of the productive land is to be found and most of the people live. In many cases the entrances to these rivers are barred by sandbanks and only small boats of shallow draught may pass. To travel from one river to another involves a journey to the sea and along the coast from one river's mouth to another. There is a small number of subsidiary motor roads in the vicinity of the larger towns, but there are no trunk roads. In order, therefore, to enable new agricultural land to be

PRINCIPAL EXPORTS, 1938, 1949–53

Article	*Unit*	1938		1949		1950		1951		1952		1953	
		Quantity	*Value* $	*Quantity*	*Value* $	*Quantity*	*Value* $	*Quantity*	*Value* $	*Quantity*	*Value* $	*Quantity*	*Value* $
Oil—Crude petroleum	tons	698,865	6,448,814	1,768,681	72,114,965	2,356,997	136,855,366	3,206,152	200,414,197	3,077,254	194,793,279	2,789,506	180,359,150
Oil—Refined	,,	197,859	10,988,871	1,544,142	62,002,936	1,698,957	93,452,753	1,741,446	102,772,482	1,874,688	112,267,672	1,889,852	110,737,845
Rubber, plantation	,,	17,987	7,968,931	38,901	31,545,430	55,475	113,941,617	42,521	158,865,402	31,471	65,182,029	23,958	31,616,358
Copra	,,	3,615	149,331	3,418	1,676,702	4,230	2,651,451	3,864	2,654,196	2,612	1,106,541	2,635	1,275,837
Timber	,,	—	37,659	36,607	2,018,896	44,133	2,839,725	54,528	4,727,834	98,309	8,925,910	106,692	49,002
Damar	,,	960	44,977	1,980	416,544	1,508	501,366	964	613,809	2,236	738,564	2,450	556,911
Pepper	,,	3,013	633,645	321	2,025,997	282	4,107,166	1,209	17,925,184	4,012	33,031,835	8,997	49,443,086
Cutch	,,	2,777	436,462	2,143	1,480,257	1,768	1,153,354	780	501,820	698	480,293	1,321	845,198
Sago Flour	,,	15,272	570,793	27,082	4,699,629	38,243	9,277,842	23,945	7,988,232	22,620	5,954,774	16,073	4,371,384
Jelutong	,,	2,002	739,842	1,266	1,182,665	1,544	1,795,932	1,095	2,310,331	1,067	2,107,951	970	2,126,562
Gold	ozs.	18,486	1,113,348	1,427	65,501	1,496	149,665	1,012	101,150	898	90,433	512	51,250

PRINCIPAL IMPORTS, 1938, 1949–53

Article	*Unit*	1938		1949		1950		1951		1952		1953	
		Quantity	*Value* $	*Quantity*	*Value* $	*Quantity*	*Value* $	*Quantity*	*Value* $	*Quantity*	*Value* $	*Quantity*	*Value* $
Fish, dried, salted and in tins ..	tons	716	232,701	1,579	1,347,697	2,800	3,132,719	2,951	3,824,738	2,554	2,945,534	2,591	3,021,541
Flour—Wheat	,,	1,634	169,744	1,813	844,575	3,279	1,313,123	2,477	1,012,545	2,799	1,314,444	3,216	1,401,628
Milk—Condensed	,,	796	409,788(*a*)	1,081	1,372,767	1,733	2,245,307	1,990	2,986,827	2,053	3,188,034	2,084	3,177,379
Rice	,,	32,679	2,269,616	11,517	5,391,361	19,331	7,815,269	31,413	13,056,856	28,302	15,704,625	21,667	11,883,750
Sugar	,,	4,732	480,559	6,528	3,361,059	6,681	3,003,278	10,578	7,102,719	6,981	4,092,690	8,332	3,842,810
Tobacco, cigars and cigarettes ..	,,	—	1,632.647	350	4,882,718	456	6,273,458	560	9,169,769	510	5,938,964	—	6,182,599
Wines and spirits	gallons	63,490	304,998	122,793	719,717	249,433	1,611,245	588,352	3,519,055	364,499	2,548,652	398,673	2,515,062
Machinery	—	—	365,778	—	1,460,332	—	3,854 690	—	6,265,387	—	5,753,111	—	13,019,190
Cloth—Cotton, silk and woollen ..	sq. yds.	—	613,611	5,461,842	3,476,503	13,397,860	8,843,229	8,718,730	7,860,532	4,616,374	3,218,590	5,540,086	3,263,184
Oil—Crude	tons	692,024	5,653,875	3,290,440	60,131,142	4,057,463	199,078,712	4,895,640	262,813,614	4,990,194	270,684,254	4,798,933	263,961,744
Oil—Refined	gallons	—	992,997	2,348,695	1,823,129	3,451,238	2,812,008	20,027	3,817,389	20,962	4,264,793	..	..

(*a*) Including sterilised.

opened up and to make it easier for the peasants to transport their produce to the markets, a large programme of road building, bridges and waterways is being undertaken.

Agricultural techniques among the peasant farmers of Sarawak are generally very primitive: yields from most crops are low, and methods of cultivation wasteful and unproductive. This is especially so in the case of rice cultivation. The main emphasis of the agricultural sections of the development programme is, therefore, laid on the education of the peasant farmers through demonstration and experiment, and on ensuring supplies of good quality seeds and equipment and instruction for pest control.

The plan also provides for special expenditure on the social services, health and education, none of which have ever been highly developed in the country, and which also suffered setbacks during the war years of Japanese occupation.

The first development plan for the Colony was introduced in 1947 and was intended to cover a 10 year period. The programme called for an expenditure at first of about $17 millions, but it was subsequently revised in 1950 for the purposes of the Colombo Plan and related to the period 1951–57. At the same time, the total planned expenditure was more than doubled. Since then, the need to include new projects has increased the scope of the plan, and at the same time a general rise in prices has led to further revisions being made. It is now estimated that the schemes of first priority will cost nearly $60 millions (about £7 millions) and that the total expenditure involved will amount to nearly $92 millions (about £11 millions). Compared with the earlier plans, the current proposals have placed the greatest emphasis overwhelmingly on the development of communications and the proportion of the money to be spent on agriculture, and the social services had been reduced.

DEVELOPMENT PLAN—EXPENDITURE

	Total Approved $	*Estimated Expenditure, to* 31/12/53 $	*Balance* $
Agriculture, Forestry, Fisheries	2,003,666	1,250,846	752,820
Communications and Transport ..	33,736,036	10,038,140	23,697,896
Buildings and Housing	2,723,600	826,585	1,897,015
Education	1,744,380	337,802	1,406,578
Medical	1,075,000	370,207	704,793
Water Supplies	4,607,000	1,208,914	3,398,086
Miscellaneous	2,281,196	530,541	1,750,655
Total Development Plan Schemes	48,170,878	14,564 035	33,606,843
Supplementary Projects	20,984,115	11,799,180	9,184,935
Total Development Expenditure	69,154,993	26,363,215	42,791,778

DEVELOPMENT PLAN—REVENUE

	Total Revenue Expected 1951–57 $	*Estimated Revenue* 1953 $	*Balance to be Raised* 1954–57 $
Colonial Development and Welfare Funds	16,711,000	5,058,498	11,652,502
From Surplus Revenue Balances	33,500,429	18,500,429	15,000,000
From Currency Fund Surplus	1,000,000	1,000,000	—
From Annual Revenue	2,400,000	1,200,000	1,200,000
From Loans	5,500,000	—	5,500,000
From Transfer of Education Fund	428,571	428,571	—
Contribution from North Borneo	240,000	102,511	137,489
Total for Planned Schemes	59,780,000	26,290,009	33,489,991
From Annual Revenue for Major Capital Works ..	19,974,135	14,974,135	5,000,000
From Surplus Revenue Balances for Major Capital Works	362,000	362,000	—
From other sources	40,750	20,750	20,000
Total	80,156,885	41,646,894	38,509,991

The cost of the plan is being met partly from Colonial Development and Welfare funds from H.M. Government, and partly from internal resources (accumulated surplus balances, etc.) As from 1951 a separate Development Budget was introduced and the financial arrangements for the plan are summarised in the tables below. In addition to the figures of expenditure shown schemes costing more than $14 millions had been completed by the end of 1953.

The plan has been subject to continual revision and amendment in the light of changing conditions, and a new planning period to extend over five years will be begun in 1955.

Work on the plan is proceeding continually and as quickly as the supply of money and physical resources will permit, and it was estimated that by 1954 the original plan would be more than half way towards completion. The annual rate of development expenditure has risen steeply since 1950 when it amounted to about $3 millions; by 1953 the annual expenditure was some $14 millions.

So far as the agricultural aspects of the plan are concerned the principal schemes are soil surveys, staff training, the development of padi production, farm mechanisation and livestock husbandry, rubber improvement and the development of cash crops, such as cocoa and pepper as alternatives to rubber. The padi growing schemes are established at five centres in different parts of the colony, and pump irrigation by means of diesel-operated sets is proving very successful. There is little scope for large-scale mechanisation, but smaller machines for breaking in new land are proving valuable, and there is scope for the use of mechanical land and water transport. In order to improve the quality of rubber exports, an experimental centralised factory using modern equipment and processing latex from surrounding smallholdings has been erected at Kuap near Kuching. This factory has been producing about 95 per cent of No. 1 smoked sheet, while Sarawak's exports of rubber of this quality in the past have averaged less than one-tenth of the total. Pepper production is expanding, although disease is giving cause for some anxiety. The grading of sago is leading to an improvement in the quality of flour for export.

The major work being carried out to improve communications is only now beginning with the construction of a 90-mile major trunk road from Serian to Simanggang. The longest existing road, from Kuching to Serian, is being given a bitumen surface as also are a number of minor roads. Progress has been hampered by bad weather and shortages of staff, materials and plant. Work on the Bau Road reconstruction is continuing but it was believed that the road would be completed by the end of 1954. A new quarry has been opened at Sebuayu, about 40 miles east of Kuching, and is expected to produce about 150 tons of crushed stone a day.

Plans for the development of the port at Sibu have been completed and work started in 1953. The scheme includes extensive harbour and waterfront improvements, the construction of warehouses, river walling, and floating launch wharfage. Another major port is planned on the Rejang River below Sibu, but its exact location has not yet been decided. Other port improvements will be undertaken at Kuching.

The existing waterways in the colony are being improved by dredging and by the removal of rapids. A canal link is also being provided between two of the rivers in the Third Division, thus providing an all-weather communication between Sibu and the northern coastal districts.

Airfield development has also taken place at Kuching and Sibu.

In the field of social services, progress has been made in educational development by the building of new school accommodation for boys and girls and by the provision of scholarships and further education facilities. A new Health Centre is being built in Kuching and will probably be ready for occupation by 1955.

The table below shows the rate at which recurrent expenditure on the education and health services has grown since the end of the war.

	Education	*Health*
	$	$
1947	135,151 ..	520,523
1952	632,476 ..	2,517,391
1953	882,049 ..	2,926,198
1954 (est.) ..	1,265,571 ..	3,518,687

Non-government Development

Development in the private sector of the economy is at present almost non-existent. The only large-scale industrial concern is the oil company, a subsidiary of the Shell group, which has over the past few years pursued a programme of geological mapping and geophysical surveying in search of new oilfields. Some prospecting for bauxite was carried out from 1950 to 1952 by the British Aluminium Company Limited, but this work ceased before the end of 1952 after some fairly large deposits had been located in the western part of the country. It is not known whether these will be capable of economic working.

V. MISCELLANEOUS

Weights and Measures.—For details of weights and measures used in the area, see Appendix 3, p. 159.

Currency.—The greater part of the currency in circulation is Malayan ($1 = 2s. 4d.). The old Sarawak currency is gradually being withdrawn (see above, p. 148).

APPENDIX 1

NOTE ON MALAYAN TRADE AND BALANCE OF PAYMENTS

Although brief notes on trade are given in the separate chapters on the Federation of Malaya and Singapore, consideration of the trade of the two territories individually is, to some extent, artificial since they form a single trading area. This note, therefore, considers Malayan trade as a whole in somewhat greater detail.

The following table shows the trade of Malaya since 1938:—

MALAYA: IMPORTS AND EXPORTS, 1938–40 AND 1946–53
($'000)

Year	*Imports*	*Exports*	($'000) *of which Re-exports*
1938*	559,410	581,554	N.A.
1939*	628,142	750,194	N.A.
1940*	830,254	1,128,169	N.A.
1946	792,935	720,148	N.A.
1947	1,367,577	1,295,191	N.A.
1948	1,791,202	1,730,043	N.A.
1949	1,840,190	1,678,933	N.A.
1950	2,915,074	4,015,847	N.A.
1951	4,756,058	6,076,478	2,560,000†
1952	3,873,142	3,918,503	1,820,000†
1953	3,238,164	3,020,109	1,520,000†

* Pre-war figures include Labuan, which is now part of North Borneo.

† Estimated.

This table shows the strong variations to which Malayan trade is subject. The value of exports rose by nearly 140 per cent between 1949 and 1950, and fell by over 50 per cent between 1951 and 1953. These extreme changes were, it is true, associated with the Korean war and the boom in rubber and tin prices, but such variations were also a typical feature of Malayan trade in the 1930's. Variations in import levels are less acute, and tend to lag somewhat behind changes in exports. Also, the estimates of re-exports suggest that these are subject to a smaller degree of variation than are domestic exports.

Direction of Trade

The following table shows the principal markets and sources of supply of Malaya in 1938 and 1953:—

DIRECTION OF EXPORTS

Countries	1938		1953	
	$'000	%	$'000	%
United Kingdom	82,072	14·1	484,826	16·0
Canada ..	17,591	3·0	61,793	2·0
India	21,269	3·7	107,914‡	3·6
Australia ..	26,696	4·5	153·819	5·1
Hong Kong ..	7,598	1·3	72,737	2·4
Sarawak ..	8,791	1·5	72,402	2·4
North Borneo	2,820	0·5	37,083	1·2
Germany ..	18,212	3·1	111,473	3·7
France ..	43,523	7·5	135,155	4·5
Italy	18,643	3·2	97,540	3·2
Netherlands ..	6,078	1·0	68,690	2·3
United States ..	172,763	29·7	479,559	15·9
Republic of Indonesia ..	40,879†	7·0	218,993	7·3
Japan	53,887	9·3	157·122	5·2
Thailand ..	15,704	2·7	104,960	3·5
Others* ..	45,028	7·8	656,043	21·7
Total ..	581,554	100·0	3,020,109	100·0

* Including ships' stores and bunker fuel.

SOURCES OF IMPORTS

Countries	1938		1953	
	$'000	%	$'000	%
United Kingdom	102,332	18·3	379,881	11·7
India	16,259	2·9	59,938‡	1·9
Burma	25,146	4·5	97,380	3·0
Hong Kong ..	8,640	1·5	100,000	3·1
Sarawak ..	24,125	4·3	166,951	5·2
North Borneo	2,979	0·5	13,571	0·4
Australia ..	13,084	2·3	151,248	4·7
Germany ..	11,180	2·0	46,468	1·4
Netherlands ..	5,882	1·0	79,179	2·4
United States ..	17,125	3·1	140·532	4·3
China	23,920	4·3	105,246§	3·2
French Indo-China ..	14,711	2·6	35,184	1·1
Japan	12,426	2·2	128,666	4·0
Republic of Indonesia ..	152,229†	27·2	794,030	24·5
Thailand ..	87,881	15·7	299,699	9·3
Others	49,491	8·8	640,191	19·8
Total ..	559,410	100·0	3,238,164	100·0

† Netherlands East Indies.
‡ Including Pakistan.
§ Excluding Taiwan.

As the above table shows, Malaya's principal markets both before and since the war have been the United Kingdom and the United States, while the United Kingdom and Indonesia have been the main source of imports. These figures do not, however, show separately the markets for Malaya's domestic exports or the sources of imports for home consumption. Imports from Indonesia, for example, consist largely of rubber and petroleum products for re-export, while exports to Indonesia consist mainly of grain, other foodstuffs and textiles imported from other countries. Therefore, although Indonesia is Malaya's most important trading partner after the United Kingdom, it accounts for only a small part of Malaya's retained imports or domestic exports.

Estimates of Malaya's balance of payments suggest that there was a slight surplus on current account in 1952 and a slight deficit in 1953. The table overleaf shows the balance of payments on current account for the Malayan Area, i.e. the Federation of Malaya, Singapore, North Borneo, Brunei and Sarawak. Since the figures exclude oil transactions, and have the bulk of Brunei's earnings and payments, they are roughly indicative of the balance of payments of Malaya alone.

This table covers the period of the post-Korean rubber boom and its subsequent collapse, events which are closely reflected in the figures of visible trade, and especially of exports.

Other territories cover invisible receipts—the most important of which are expenditure by the United Kingdom Government on forces in Malaya, United Kingdom grants, amounting to £24,000,000 between 1951 and 1953, and bunker fuel and ships' stores; and invisible payments, including personal remittances and payments of interest, profits and dividends.

The normal Malayan payments pattern is a large surplus with the Dollar Area and O.E.E.C. countries, and a deficit with the Sterling Area and other non-Sterling countries.

Malaya is one of the Sterling Area's most important dollar earners. The value of Malaya's net dollar earnings is, however, somewhat exaggerated by the figures of Malaya exports to the dollar area, because of the need to adjust for imports from Indonesia which are re-exported for dollars. By an Agreed Minute between the United Kingdom and Netherlands Governments in 1948, trade

MALAYAN AREA: BALANCE OF PAYMENTS ON CURRENT ACCOUNT

(£ million)

Year	*Imports (f.o.b.)*		*Exports (f.o.b.)*		*Other Territories (net)*		*Balance*	
	Sterling	*Non-Sterling*	*Sterling*	*Non-Sterling*	*Sterling*	*Non-Sterling*	*Sterling*	*Non-Sterling*
1950 ..	129	124	126	280	−56	− 6	−59	+150
1951 ..	192	231	235	400	−72	−18	−29	+151
1952 ..	168	172	133	268	−20	−16	−55	+ 80
1953 .. (provisional)	147	134	97	177	− 5	−13	−55	+ 30

between Indonesia and Malaya was to be financed in Malayan dollars, but the Governments of Singapore and the Federation of Malaya undertook to provide to the Netherlands Indies Government United States dollars against sterling or Malayan dollars for the cost of goods of Indonesian origin purchased by merchants in Malaya and deemed to be exported to the dollar area, less the dollar cost to Malaya of goods of United States dollar origin which were sold by Malayan merchants to Indonesia. A formula was worked out whereby the cost of goods of Indonesian origin purchased by merchants in Singapore which might be deemed to be exported to the United States dollar area was to be determined—i.e. the c.i.f. value of imports into Malaya from Indonesia multiplied by the f.o.b. value of exports from Malaya to the United States of America divided by the f.o.b. value of total exports from Malaya to all destinations.

There is little information concerning the balance of payments on capital account. The following table, however, shows changes in the sterling assets of the Malayan Area since 1950:—

MALAYAN AREA: STERLING ASSETS, 1949–53

(£ million)

End of Year	*Government General and Development Reserves*	*Other Sterling Assets*	*Total*
1949	3	104	107
1950	24	140	164
1951	60	192	252
1952	80	203	283
1953	N.A.	N.A.	282

MALAYA: PRINCIPAL IMPORTS, 1938, 1951, 1952 AND 1953

Commodity	*Unit*	1938			1951			1952			1953		
		Quantity	*Value* ($)	*Main Countries of Origin* (*value in $'000*)	*Quantity*	*Value* ($)	*Main Countries of Origin* (*value in $'000*)	*Quantity*	*Value* ($)	*Main Countries of Origin* (*value in $'000*)	*Quantity*	*Value* $	*Main Countries of Origin* (*value in $'000*)
Rice, cleaned (white) ..	tons	591,603	41,512,103	Thailand (27,940), Burma (11,928).	418,266	198,126,471	Thailand (164,466), Burma (20,568)	395,764	206,029,102	Thailand (172,251), Burma (31,069)	504,728	282,373,041	Thailand (197,896) Burma (68,339), F.I.C. (16,126)
Rice, other (including rice bran and meal)	„	393,099	17,869,782	Thailand (12,024), Burma (4,352)	217,904	68,681,788	Thailand (43,156), F.I.C. (16,151), Burma (4,834)	175,836	59,954,026	F.I.C. (15,253), Thailand (30,743), China (7,108)	93,006	29,521,961	Burma (4,926), F.I.C. (9,618), Thailand (9,838), China (3,374)
Wheat flour	„	64,850	5,147,413	Australia (4,637)	125,836	45,281,305	Australia (39,800), Canada (5,385)	122,615	47,944,337	Australia (45,566), Canada (2,339)	129,367	51,551,337	Australia (47,874), Canada (3,461)
Animal feeding stuffs ..	„	14,535	412,963	Australia (161), N.E.I. (57), China (43), India (43)	83,633	19,989,992	R.I. (7,925), Thailand (6,204), China (3,042)	104,840	25,511,285	R.I. (12,855), Burma (2,701)			
Coffee	„	9,747	1,975,205	N.E.I. (1,817)	6,896	17,830,587	R.I. (15,670), U.K. (1,680)	6,911	20,484,848	R.I. (15,774), U.K. (1,483)	7,980	21,553,931	R.I. (18,512), U.K. (1,782)
Curry stuffs	cwt.	126,119	1,203,422	N.E.I. (665), India (301)	220,245	13,854,605	Thailand (9,672), R.I. (2,151), India (1,509)	150,373	8,703,465	Thailand (5,462), R.I. (1,473), India (1,172)			
Fish, dried and salted ..	tons	50,808	7,154,413	F.I.C. (3,529), Thailand (2,079)	40,104	33,734,966	Thailand (12,298), Japan (8,526), R.I. (4,036), F.I.C. (3,879)	41,972	32,529,955	Thailand (11,869), Japan (8,636), China (3,369), R.I. (4,487)	20,465	13,735,401	Thailand (6,780), R.I. (3,131), F.I.C. (1,223), China (740), N. Borneo (696), H.K. (394)
Milk, condensed	cases	1,570,807	9,743,627	U.K. (2,732), Netherlands (2,897)	3,192,262	76,748,591	Netherlands (27,643), Australia (27,291). Denmark (8,415)	2,955,048	74,861,071	Australia (33,769), Netherlands (28,146), Denmark (8,273)	2,793,596	69,015,236	Netherlands (33,707) Australia (25,326), New Zealand (4,582), Denmark (4,530)
Pepper	tons	8,003	1,494,790	N.E.I. (1,092), Sarawak (402)	3,290	36,960,257	Sarawak (17,087), R.I. (16,900)	4,522	38,170,717	Sarawak (30,257), R.I. (7,363)	8,469	50,325,104	Sarawak (39,911), R.I. (10,117)
Sugar	„	137,503	9,831,452	N.E.I. (5,976), U.K. (1,972), H.K. (1,874)	168,642	76,328,472	U.K. (41,856), Formosa (21,119), H.K. (5,996)	179,310	82,203,008	U.K. (44,509), Taiwan (31,716), H.K. (5,678)	144,518	63,835	Taiwan (41,345), U.K. (17,365), H.K. (5,072)
Cigarettes	lb.	12,641,677	16,271,095	U.K. (16,094)	22,310,334	89,307,913	U.K. (74,296), U.S.A. (9,048), India (4,683)	20,599,154	92,755,379	U.K. (84,311), U.S.A. (6,167)	18,766,714	88,470,818	U.K. (80,465), U.S.A. (5,783)
Tin ore and concentrates	tons	27,765	30,057,752	Thailand (20,870), Burma 5,008), F.I.C. (2,379)	10,551	67,779,742	Thailand (55,198), Burma (9,669)	7,948	47,050,272	Thailand (37,158), Burma (8,399)	8,648	38,202,414	Thailand (30,496), Burma (6,331)
Copra	„	117,517	6,825,195	N.E.I. (6,117), Borneo (435)	100,898	61,378,554	R.I. (50,860), N. Borneo (6,399)	89,314	36,251,921	R.I. (31,150), N. Borneo (3,188)	77,704	39,873,883	R.I. (34,728), Sarawak (1,944), N. Borneo (1,149)
Rubber, dry ribbed smoked sheet	„	(a) 141,243	68,484,975	N.E.I. (36,997), Thailand (14,981), Sarawak (8,389)	217,677	631,443,202	R.I. (424,758), Sarawak (102,578), N. Borneo (42,832), Burma (33,700)	156,316	277,646,822	R.I. (195,376), Sarawak (41)	144,342	186,706,124	R.I. (153,414), Sarawak (19,038), N. Borneo (7,820)
Rubber, remilled	„				49,639	112,916,278	R.I. (95,626), Sarawak (9,535)	16,225	20,771,250	R.I. (16,006), Sarawak (4,095)	15,667	18,716,377	R.I. (15,431), Sarawak (2,753)
Rubber, for remilling or smoking	„	(b) 14,858	5,845,195	Thailand (3,405), N.E.I. (1,415), F.I.C. (805)	278,372	501,746,757	R.I. (493,133), Burma (3,818)	92,030	93,340,305	R.I. (93,340)	116,791	101,646,906	R.I. (99,341)
Cement	„	280,209	4,421,830	U.K. (1,753), H.K. (987), F.I.C. (728)	310,613	23,187,213	Japan (12,005), U.K. (7,710), Formosa (1,221)	418,296	37,134,681	U.K. (20,598), Japan (13,576)	333,221	26,928,450	U.K. (18,404), Japan (6,264)
Clocks and watches ..	Nos.	118,102	303,647	Switzerland (94), Germany (83), China (50)	2,777,127	77,805,190	Switzerland (72,946)	1,303,456	34,570,730	Switzerland (32,228)	820,743	18,975,649	Switzerland (17,255)
Cotton yarns	lb.	5,558,767	1,653,402	India (1,419), U.K. (146)	3,308,840	7,140,200	India (6,464)	4,562,148	8,324,034	India (5,227), Italy (2,214)	1,683,682	2,853,114	India (1,416), Italy (1,322)
Cotton piece goods ..	sq. yds.	114,993,416	18,415,714	U.K. (10,092), India (2,760), Japan (2,485)	344,716,404	298,574,140	India (136,676), U.K. (67,239), Japan (58,409), U.S.A. (16,255)	206,477,252	170,827,622	Japan (41,130), India (77,196), U.K. (39,978)	171,471,313	220,960,059	U.K. (33,149), India (38,255), Japan (23,073)
Cotton sarongs	„	7,603,387	3,055,035	N.E.I. (1,325), India (1,176)	13,669,276	20,375,719	India (14,772), R.I. (2,197), Japan (1,864)	9,221,554	11,789,730	India (8,547), R.I. (1,741)	9,856,798	9,878,860	India (7,775), R.I. (989), Japan (883)
Artificial silk piecegoods	„	14,727,577	2,635,043	Japan (1,525), U.K. (297)	127,210,233	142,905,179	Japan (76,521), Italy (28,704), U.S.A. (13,777), U.K. (10,324)	119,841,371	107,217,819	Japan (73,416), U.K. (9,044), Italy (10,701), U.S.A. (8,309)	47,460,288	40,914,821	Japan (15,875), U.S.A. (10,331), U.K. (8,155)
Cotton underwear ..	doz.	782,737	1,927,871	H.K. (1,044), Japan (441)	1,928,184	36,638,135	H.K. (31,396), U.S.A. (2,874), U.K. (1,266)	1,164,431	16,557,212	H.K. (13,582)	1,216,003	15,296,075	H.K. (12,529)
Diesel oil (including high speed)	tons	N.A.			1,266,048	112,549,380	R.I. (54,429), Sarawak (53,065)	1,531,504	165,589,050	Sarawak (61,608), R.I. (100,336)	1,503,057	164,466,209	Sarawak (45,631), R.I. (115,391)
Kerosene	„	162,300	16,114,575	N.E.I. (10,928), Sarawak (5,087)	150,535	17,157,904	R.I. (7,960), Iran (6,821), Arabia (1,528)	261,891	36,529,914	Arabia (15,406), R.I. (10,915)	316,810	44,147	R.I. (18,844), Arabia (11,700)
Liquid fuel	„	632,072	19,296,167	N.E.I. (17,525), Sarawak (1,688)	1,413,042	72,331,710	R.I. (43,623), Sarawak (9,712), U.S.A. (9,321)	1,958,802	130,786,456	R.I. (73,460), Sarawak (18,504)	2,024,436	116,985,461	R.I. (63 260), Sarawak (14,546), Bahrein (12,444)
Motor spirit (including aviation spirit)		449,093	45,761,487	N.E.I. (34,910), Sarawak (4,716)	1,009,885	148,023,418	R.I. (100,476), Iran (17,420), Sarawak (15,599)	1,187,732	198,325,787	U.S.A. (24,347), R.I. (136,758), Sarawak (29,668)	1,409,769	241,050,915	R.I. (146,941), Sarawak (38,205), U.S.A. (22,844)
Bicycles	Nos.	26,875	728,540	U.K. (706)	337,502	24,458,262	U.K. (24,118)	415,086	30,416,629	U.K. (28,763)	207,554	15,105,659	U.K. (13,565)
Motor cars (passenger and commercial)	„	7,155	9,150,035	U.K. (4,831), Canada (3,199)	22,334	96,352,699	U.K. (77,079), Canada (7,622), U.S.A. (5,898)	19,152	89,515,046	U.K. (69,440), Canada (12,051)	10,555	45,509,520	U.K. (42,736), Canada (1,041)

(a) Rubber, dry (smoked, sheet and crepe).
(b) Rubber, wet (sheet, scrap, lump and bark).

N.E.I. = Netherlands East Indies.
R.I. = Republic of Indonesia.

F.I.C. = French Indo-China
H.K. = Hong Kong

MALAYA: PRINCIPAL EXPORTS (INCLUDING RE-EXPORTS), 1938, 1951, 1952 AND 1953

Commodity	Unit	1938			1951			1952			1953		
		Quantity	*Value ($)*	*Principal Destinations (value in $'000)*	*Quantity*	*Value ($)*	*Principal Destinations (value in $'000)*	*Quantity*	*Value ($)*	*Principal Destinations (value in $'000)*	*Quantity*	*Value ($)*	*Principal Destinations (value in $'000)*
Coffee	tons	2,689	571,552	Arabia (159), Siam (147), Philippines (93)	5,124	13,286,660	Thailand (5,891), U.K. (1,834), France (1,241)	2,668	7,907,725	Thailand (4,245), Sarawak (440), Burma (421)	3,983	10,876,532	Thailand (4,251), U.K. (1,453), Netherlands (1,064)
Canned pineapples ..	"	73,169	7,262,851	U.K. (5,221) Canada (912)	16,913	16,884,112	U.K. (12,201), France (1,966)	11,781	12,564,131	U.K. (8,336), Germany (1,699)	17,391	19,002,707	U.K. (14,249), Germany (1,675)
Arecanuts	"	89,189	10,445.751	India (8,929)	43.322	23,498,716	India (21,006)	40,119	22,846,199	India (18,308), Burma (2,554), F.I.C. (956)	36,699	18,567,505	India (14,647), Burma (2,140), F.I.C. (1,042), U.K. (13,068), U.S.A. (9,935), Germany (6,817)
Pepper	"	7,627	1,534,674	U.K. (359), H.K. (255), Germany (211), Australia, (133)	3,449	43,744,252	U.K. (9,279), Netherlands (8,373), Australia (5,275) Germany (3,581)	4,650	41,813,243	U.S.A. (9,146), U.K. (8,748) Germany (5,646), Netherlands (3,996)	8,613	55,150,637	Netherlands (3,340), Italy (3,005)
Timber, sawn	tons of 50 cu. ft.	17,147	443,151	R.I. (156), Arabia (60), H.K. (60), Mauritius (54)	86,318	18,408,429	U.K. (9,118), Australia (3,902)	74,503	13,952,101	U.K. (6,296), Australia (1,443), Mauritius (846)	105,626	18,771,650	U.K. (12,003), Aden (1,808), Australia (1,524), Mauritius (1,012)
Copra	tons	186,271	12,493,814	Germany (4,100), U.K. (2,753), Netherlands (2,431)	90,021	67,984,081	U.K. (12,067), Denmark (11,602), Italy (8,073), Austria (7,663), Germany (6,731), Netherlands (6,598)	61,493	31,750,641	U.K. (8,088), France (3,729), Netherlands (3,546), Sweden (3,717), Germany (2,582), Spain (2,894)	67,953	41,958,635	Germany (7,157), Netherlands (6,938), Sweden (6,503), Denmark (4,586), U.K. (4,221), Italy (2,807)
Coconut oil	"	49,502	5,647,290	India (1,956), U.K. (1,549), Egypt (424)	68,335	87,760,124	Burma (18,670), India (15,092), U.K. (10,251), Germany (9,324), Netherlands (8,618)	66,212	54,874,923	U.K. (1,131), Burma (19,035), India (10,095), Netherlands (7,403)	61,411	58,586,937	India (12,646), Netherlands (8,885), Burma (9,345), Germany (6,894), Italy (5,902), China (5,783)
Palm oil	"	54,540	6,239,966	U.K. (3,384), Canada (2,242)	46,548	39,615,947	U.K. (37,028)	46,151	44,153,059	U.K. (43,667)	48,362	31,407,205	U.K. (17,714), India (8,321) Germany (2,080)
Rubber:													
Dry ribbed smoked sheet	"	511,401	263,963,646	U.S.A. (108,843), U.K. (47,767), France (34,632), Japan (17,451)	754,117	2,723,985,932	U.K. (749,201), U.S.A. (586,804), France (182,391), Italy (143,047), H.K. (134,935)	628,142	1,344,144,839	U.K. (454,491), U.S.A. (302,308), France (97,113), Japan (73,922), Italy (65,292), Germany (57,276)	550,843	816,643,265	U.K. (198,646), U.S.A. (163,000), Japan (67,590), France (65,465), Italy (49,965), Germany (43,206)
Pale crepe	"				9,498	35,057,744	U.K. (15,922), U.S.A. (4,681), Japan (3,542), Germany (1,502), Italy (1,453), Belgium (1,309)	14,506	33,118,152	U.K. (10,725), U.S.A. (7,129), Japan (5,140), Germany (2,241), Italy (1,740), France (1,532)	15,761	25,936,267	U.K. (11,224), Italy (2,158), Japan (2,130), France (1,797), U.S.A. (1,280), H.K. (1,044)
Estate brown crepe ..	"				52,674	163,932,847	U.S.A. (53,746), U.K. (31,470), Canada (16,222), Germany (14,954), France (10,072)	53,372	95,748,091	U.K. (21,594), U.S.A. (19,153), Germany (21,616), France (10,400), Canada (6,521), Australia (4,019)	54,877	76,375,123	U.S.A. (15,189), Germany (14,515), U.K. (13,365) France (7,689), S. Africa (6,971), Canada (6,023)
Remilled	"				267,772	771,504,751	U.S.A. (394,919), U.K. (81,470), Australia (55,013)	154,277	262,929,204	U.S.A. (106,009), U.K. (38,384), France (19,961), Germany (18,824), Canada (12,130), Australia (9,369)	137,260	151,219,491	U.S.A. (44,980), U.K. (38,921), Canada (13,245), France (15,902), Germany (12,372), Sweden (8,235)
Sole crepe	"	579	329,937	U.K. (196), U.S.A. (30), Italy (21)	10,074	39,768,365	U.K. (27,600), U.S.A. (1,739), France (1,391)	11,744	33,563,310	U.K. (22,581), France (1,285), Italy (1,762), U.S.A. (1,863), Japan (1,325)	15,746	33,216,437	U.K. (23,388), France (2,182), Japan (1,179)
Latex	"	14,931	8,686,793	U.K. (2,773), U.S.A. (2,604), France (1,576)	60,386	215,218,151	U.S.A. (110,843), U.K. (48,320), France (10,854)	48,198	113,666,557	U.K. (30,238), U.S.A. (46,776), France (8,537), Germany (8,391)	72,144	131,768.413	U.S.A. (44,513), U.K. (37,515), Germany (10,512), France (10,441), Japan (4,766), Italy (4,867)
Other	"				754	1,883,808	U.S.A. (764), U.K. (504), France (359)	910,238	1,883,170,253		1,047	474,717	U.K. (130), U.S.A. (169), H.K. (91)
Total rubber		526,911	272,980,376		1.155,275	3,951,351,598					847,678	1,265,633,713	U.K. (323,189), U.S.A. (270,001)
Tin (blocks, ingots, bars or slabs)	"	61,187	96,339,078	U.S.A. (52,599), Japan (14,031)	64,956	577,879,791	U.K. (131,650), France (73,773), Italy (55,728), Canada (34,554)	64,119	515,568,044	U.K. (130,388), U.S.A. (156,070), Netherlands (73,712)	61,752	391,472,429	U.S.A. (187,604), U.K. (45,152), Japan (30,122), France (24,728), Italy (17,938), Netherlands (17,686), India (17,068)

Cotton yarn	lb.	5,225,440	1.462,209	Siam (1,381)	4,416,329	11,260,547	Pakistan (4,710), R.I. (2,061)	3,136,847	6,309,846	Thailand (3,245), Pakistan (1,062), R.I. (1,064)	2,990,980	4,721,407	Thailand (1,754), H.K. (1,176), R.I. (741)
Cotton piecegoods ..	sq. yds.	26,454,952	3,385,197	Siam (1,703), R.I. (624), Sarawak (544)	207,978,837	179,405,243	R.I. (117,001), Thailand (10,669)	137,410,892	97,296,762	R.I. (52,098), Thailand (20,183)	115,431,946	70,553,961	R.I. (32,847), H.K. (12,940), Thailand (6,830)
Artificial silk piecegoods	„ (a)	9,270,932	1,013,616	Philippines (609), R.I. (179), India (88)	57,817,362	59,416,049	R.I. (45,425), Thailand (4,733), Burma (3,180)	71,634,598	59,730,090	R.I. (40,619), Thailand (7,430)	23,994,732	17,832,884	R.I. (6,293), Thailand (2,895)
Diesel oil (including high speed)	tons	—	—	—	539,154	49,621,547	Australia (12,131), India (8,351), Ceylon (6,195), H.K. (5,300)	745,487	83,350,808	Australia (21,297), India (16,849)	674,961	76,363,550	Australia (16,246), India (12,096), Philippine Is. (5,748), H.K. (4,965)
Kerosene	„	118,811	12,168,329	Australia (5,445), Japan (1,764), Siam (1,046)	143,776	18,598.834	Australia (3,816), Thailand (3,541), Burma (3,140), Philippines (1,939)	235,232	35,257,837	India (7,841), Australia (6,959), Philippine Is. (5,030), Thailand (4,330)	301,127	44,816,779	India (8,589), Philippine Is. (6,678), Australia (6,190), Thailand (5,348), H.K. (4,382)
Liquid fuel	„	282,284	8,387,802	Egypt (2,369), Siam (1,182), U.K. (855)	377,922	18,919,624	H.K. (8,447), Ceylon (2,582), Australia (2,495)	423,424	27,344,051	Japan (6,008), H.K. (5,956), N.Z. (4,656), Australia (3,883)	496,930	28,882,927	H.K. (8,102), Netherlands (6,807), Japan (4,254), India (2,109)
Motor spirit (including aviation spirit)	„	360,693	35,496,800	Australia (15,434), Japan (10,148), R.I. (2,944)	721,164	107,200,110	Australia (46,331), F.I.C. (11,976), N.Z. (11,242), Philippines (10,324)	864,825	151,986,289	Australia (54,587), F.I.C. (14,302), Philippine Is. (18,049)	1,056,033 1,056,033	181,420,346 181,420,346	Australia (56,178), Philippine Is. (23,634), F.I.C. (21,736), N.Z. (16,581)
unkers:													
Oil fuel	„	228,147	5,954,670		900,256	57,868,895	—	1,298,228	90,484,384	—	1,438,648	87,521,796	—
Aviation spirit	„	1,094	361,579		12,699	1,663,975		11,939	1,657,858	—	11,913	2,809,181	—

(a) yards

APPENDIX 2

REGIONAL ORGANISATIONS

Office of the Commissioner-General for S.E. Asia

A Governor-General was appointed in 1946 with the function of co-ordinating the general administration of an area including the Malayan Union, Singapore and Brunei. Later, on the conclusion of negotiations with the Rajah of Sarawak and the British North Borneo Chartered Company, the area was extended to cover the new Colonies of Sarawak and North Borneo. The Governor-General had no direct administrative functions over the territories (except Brunei), but exercised a general co-ordinating power over their individual governments, and he was also empowered to convene conferences of Governors. In respect of Brunei the Governor-General acted as the channel of communication between the Secretary of State and the Resident. In defence matters the Governor-General was chairman of the British Defence Co-ordination Committee, Far East, on which sat the Commander-in-Chief of the Services, and also the Special Commissioner (see below), and on which the Governor represented the interests of the territories under his authority and also those of Hong Kong.

In 1946 there was also appointed a Special Commissioner with responsibility for advising H.M. Government on general problems affecting the conduct of foreign affairs in South-East Asia, and with the special duty of looking into the methods by which the production and distribution of food supplies might be improved.

In 1948 the functions of the two organisations were combined into the Office of the Commissioner-General for the United Kingdom in South-East Asia. This organisation consists of a Colonial side and a Foreign side, each headed by a Deputy Commissioner-General. The Colonial side has the same responsibilities as those formerly undertaken by the Governor-General, except that the direct administrative responsibilities concerned with Brunei lapsed on 1st May, 1948, when the Governor of Sarawak was appointed High Commissioner for Brunei.

The Colonial side of the Office in Singapore is staffed by secondment from the Colonial Service, and the salaries of officers are paid by the Malayan and Borneo governments who also bear part of the costs of the services shared with the Foreign side. The staff includes an Economic Adviser to the Commissioner-General.

The Commissioner-General is responsible to the Secretary of State for Foreign Affairs in respect of those duties formerly carried out by the Special Commissioner.

Colombo Plan.—The Colombo Plan for Co-operative Economic Development in South- and South-East Asia originated in the meeting of Commonwealth Foreign Ministers at Colombo in January, 1950. At that meeting a Consultative Committee was set up to survey and assess the development needs of the area and to provide a framework for international co-operation. Initially the committee was made up of representatives of Australia, Canada, Ceylon, India, New Zealand, Pakistan, and the United Kingdom and its territories in Malaya and Borneo. It was intended that eventually other countries in the region should participate and a number of these have now become associated with the plan.

The first meeting of the Consultative Committee took place at Sydney in May, 1950, and it was there agreed that the participating countries should draw up six-year development programmes for the period 1951–7. It was also agreed that a scheme for technical co-operation should be put into effect. At the second meeting of the Committee in London, in September, 1950, the development programmes prepared by the Commonwealth countries were considered and incorporated into a report which became the basis of the Colombo Plan. At this second meeting the Governments of Burma, Thailand, Indonesia, Laos, Cambodia, and Viet Nam were represented by observers. Of the colonial governments involved, the Federation of Malaya, Singapore, Sarawak and North Borneo prepared six year development plans (see the separate chapters of this volume) and these are currently being implemented. The total value of all the plans of the participating countries was estimated in 1950 at about £1,868,000,000, of which the greater part would have to come from outside sources through direct aid, release of sterling balances and so on.

It was also recognised that technical assistance would have to be forthcoming from outside the area in addition to that which could be made available through the existing agencies of the United Nations and the United States " Point Four " programme. For this purpose a Scheme for Technical Co-operation was established, under the terms of which the Governments of Australia, New Zealand, Canada, Ceylon, India, Pakistan and the United Kingdom would provide assistance up to a value of £8,000.000 over a three-year period from 1950. The period has since been extended to 1957.

After the Committee's report was drawn up in September, 1950, the governments of Viet Nam, Cambodia and Laos accepted the Committee's invitation to participate in the plan, and towards the end of 1950 the Government of the United States signified its desire to take part in the work of the Committee. Representatives of the International Bank have also been present at the meetings. The third and fourth meetings of the Committee were held respectively in Colombo, in February, 1951, and at Karachi, in March, 1952, and the plans were examined and, where necessary, revised in the the light of experience gained and the changed economic circumstances in the Far East. The member countries also made known the amount which they were prepared to contribute towards the progress of the plans. Almost all of them are making contributions either in the form of direct capital aid or by the provision of facilities for technical and specialised training. Following these meetings Nepal and Indonesia became full members of the Committee.

The Consultative Committee met for a fifth time in Delhi in October, 1953, at a time when the finances of many of the underdeveloped countries who are primary producers, and especially Malaya and the Borneo territories, had been adversely affected by the decline in raw material prices following the end of the Korean war. As the fall in the prices of these countries' imports has been slight by comparison most of them have suffered a worsening of their terms of trade, and, with the period of the original plan not yet half-over, most of the participants will find it even more difficult than had been anticipated to make any substantial contributions from their own resources.

So far as the Technical Co-operation programme is concerned, there has been a steady increase in the demand for expert assistance and training facilities especially by India, Pakistan and Ceylon, and Australia, New Zealand and the United Kingdom have provided the majority of the experts and accommodation for trainees. The basic concept of the Colombo Plan is one of co-operation, with each member contributing what it can to the development of the area as a whole. This is especially marked in the Technical Co-operation scheme, in which the underdeveloped countries, although unable to provide financial assistance, are nevertheless making available their special experience in dealing with particular problems of development. Up to the middle of 1953 Malaya had sent 29 trainees to Australia, 31 to New Zealand and 5 to India, North Borneo had sent 7 to Australia and 4 to New Zealand, Sarawak had sent six to Australia and 6 to New Zealand, while Singapore had sent 15 to Australia and 1 to New Zealand. Brunei, which is not fully associated with the plan, has participated in the Technical Co-operation scheme and has sent two trainees to Australia.

APPENDIX 3

Weights and Measures Used in the Area

Imperial weights and measures are widely and increasingly used, but in addition there are many units, mainly of Chinese origin, specific to the region. The most important of these are the following:—

Units of Capacity

1 Chupak = 1 quart
1 Gantang = 1 gallon

Units of Weight

1 Tahil (or tael) = 1 Leung = 1⅓ ozs.
1 Kati (or catty) = 1 Kan = 1⅓ lb.
1 Pikul (or Picul) = 1 Tam = 133⅓ lb.
16·8 Pikuls .. = 1 long ton
1 Koyan = 40 Pikuls = 5,333⅓ lb. = 2·4 tons

APPENDIX 4

Currency : Malaya and British Borneo

An agreement was entered into in 1938 by the territories now comprised in the Federation of Malaya, Singapore, Labuan and Brunei, for the constitution of a Board of Commissioners of Currency and the establishment of a Currency Fund. The agreement was revised in 1951, the revised agreement coming into force in the beginning of 1952, to provide for the establishment of a Board for the Federation of Malaya, Singapore, North Borneo, Brunei and Sarawak. The members of the Board include the Financial Secretaries of the Federation of Malaya and Singapore, one representative of the three Borneo territories, and two representatives of the area as a whole. The Governments of North Borneo and Sarawak undertook to endeavour to retire within the shortest possible time all notes and coin not in conformity with the agreement (i.e. the old Sarawak and North Borneo currency).

The Commissioners issue on demand currency notes in exchange for sterling lodged with the Crown Agents for Overseas Governments and Administrations in London, and pay on demand sterling for local currency. The local currency is the Malayan dollar, which is equivalent to two shillings and fourpence. The fund accumulated by the Board as a result of the issue of local currency may be invested in sterling securities other than those of the participating governments, or in such other securities as may be approved by the Secretary of State, provided that a part of the fund is held in London in liquid form. If the value of the currency fund at current market prices exceeds 110 per cent of the face value of currency issued, the Board may distribute any surplus above current requirements to the participating governments in the following proportions :—

Territory	*Per cent*
Federation of Malaya	61·16
Singapore	27·28
Sarawak	4·89
North Borneo	4·42
Brunei	2·25

The Board has laid down the sum of £10,000 or $100,000 as the minimum amount which they will exchange. The commission charged by the Board is one-eighth of a penny for every dollar issued or received.

The following table shows the gross and active circulation of currency notes since 1937. The active circulation is arrived at by deducting the amount held by the Government Treasuries and the Banks from the gross circulation.

CIRCULATION
OF CURRENCY NOTES, 1937–1953
($'000)

End of Year	*Gross Circulation*	*Active Circulation*
1937*	103,738	85,905
1938	105,300	73,055
1939	126,215	92,530
1940	164,579	120,617
1946	405,885	316,178
1947	412,104	292,619
1948	400,939†	301,799†
1949	402,944†	310,914†
1950	633,487†	515,165†
1951	764,109†	564,372†
1952	786,797†	630,190†
1953	740,924†	651,017†

* 30th September. † Post-Liberation notes only.

In addition, coins to the value of $23,037,000 were in circulation at the end of 1953. This does not include demonetised silver coins to the face value of $23 million theoretically in circulation at that date. In fact, most of these coins are believed to have been melted down or to have otherwise disappeared from circulation. Owing to the uncertainty relating to this part of the supply of specie, no meaningful series showing coins in circulation over a period of time can be given.

The investments held by the Currency Commissioners at the end of 1953 were of a nominal value of $789,000,000, and a mean market value of $766,000,000. In addition, about $61 million was held in liquid forms.

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